

PEOPLE

Picasso Work Fetches Record \$24.8 Million

Picasso's "Motherhood," a 1942 oil painting, was sold for a record \$24.8 million, the fourth-highest price ever paid for a work of art. The painting was the most important work in the collection of William and Susan Mayer Goetz. The Goetzes acquired it 40 years ago, and it was in their living room until Goetz's death in June 1987. Her husband died in 1969. The work was sold for \$24.8 million, a record for a single owner.

The U.S. Supreme Court turned down without comment an appeal by an employee of the television network who said he had the original idea for "The Cosby Show." In 1980, Haverstick, a financial manager, proposed a show about an upper middle-class black couple with five children. The show was called "Father's Day" and was being run by the network's work executives said they were interested. Four years later, "The Cosby Show" was on the air. The U.S. District Court in Manhattan ruled earlier that his idea was sufficiently "novel" to warrant legal protection.

The Washington Opera has a curtain for 30 minutes while Claudio Domingo, in full "Tosca" costume and makeup, was treated to a cold. After being treated by a doctor's office, Domingo went back to perform, then was treated by a doctor's office. Domingo was treated by a doctor's office. Domingo was treated by a doctor's office.

Luc Besson and Jean YVES Tuesday shared the \$50,000 prize for the best film of the year. Besson, 71, the president of French Cinematheque, is the author of more than 120 documentaries. Besson, 28, is known for his recent film "Grand Bleu." The prize is for Florence Gould, who is the author of her vast fortune in the French-American foundation, a prize destined to "reward any or artistic work which is the world's cultural heritage."

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ESTABLISHED 1887



Mr. Takeshita during debate on his tax measure.

U.S. Gap In Trade Narrows

Markets Slump On Fears About Dollar and Rates

By Stuart Auerbach
 Washington Post Service

WASHINGTON — The U.S. trade deficit fell to \$10.5 billion in September, down from nearly \$2 billion from August, the government said Wednesday, but the decrease was not enough to prevent a new assault on the dollar and stock prices.

Analysts said the trade report should ease some inflationary fears, but others predicted that the Federal Reserve Board would push U.S. interest rates up to cool consumer demand.

Imports dropped 2.8 percent in September from a record high in August, but the \$38.7 billion in U.S. purchases of foreign goods still remained substantially above the average for the year. This indicated the stubborn trade deficit would not quickly disappear. U.S. exports rose 2.6 percent, to a record \$28.2 billion, in September.

The improvement in the trade numbers was insufficient to calm jittery financial markets.

Stocks moved sharply lower on expectations that interest rates would rise, in part to support the slumping dollar and contain inflation.

See TRADE, Page 19



Peace Prevails as Pakistanis Vote in General Elections

Women lining up to vote at a polling station in Karachi on Wednesday in the first multiparty national election in Pakistan in 11 years. No violence or major fraud had been reported when the polls closed. The opposition leader, Benazir Bhutto, claimed victory after early returns showed her populist party leading but it was unconfirmed. The results are not expected until Thursday.

A Major Tax Overhaul Passed by Japan House

By Patrick L. Smith
 International Herald Tribune

TOKYO — The Japanese House of Representatives approved Wednesday a sweeping overhaul of the national tax system, marking a hard-won personal triumph for Prime Minister Noboru Takeshita and a major victory for the governing Liberal Democratic Party.

The parliamentary success of Mr. Takeshita's reforms, which include a new tax on consumption, came amid escalating political attacks on leaders of the ruling party for their involvement in a stock scandal, which has blocked debate on the legislation since it surfaced in June.

Liberal Democrats in the lower house of the Diet, Japan's parliament, voted unanimously for the package of six bills and immediately sent the legislation to the upper house, in which the ruling party enjoys a comfortable majority. No date has been set for debate in the House of Councillors but approval there is considered certain.

With approval of the upper house, Mr. Takeshita's reforms are likely to become law in time to be incorporated into the budget for the 1989 fiscal year, which begins April 1.

See JAPAN, Page 6

Israel Fights to Counter PLO

By David Remnick
 Washington Post Service

TALLINN, U.S.S.R. — In an unprecedented challenge to Kremlin power, the Communist Party leadership of Estonia declared the republic "sovereign" Wednesday at a special session of the republic's legislature.

"The Estonian Supreme Soviet declares the supremacy of its laws over the laws of the U.S.S.R.," read a statement that won the overwhelming endorsement of the legislature.

The legislators also amended the republic's laws and constitution to specify that Estonia, and not Moscow, will control its land, natural resources, factories, banks, farms, and housing. They also adopted laws reserving the right to exercise veto power over decisions made in Moscow and to maintain sovereignty in every area except military and foreign policy.

The Baltic challenge to Moscow, which reached new heights with the approval of the declaration, is a turning point in the short history of Soviet plans for change. In many ways it is a more serious domestic problem for President Mikhail S. Gorbachev than the dispute earlier this year in Transcaucasia over the Nagorno-Karabakh Autonomous Region.

By legally declaring sovereignty from Moscow, Estonia's leadership is testing Mr. Gorbachev's own oratory on "democratization."

Mr. Gorbachev's choice is clear and difficult: to tighten his grip on Estonia and cause inevitable unrest or to loosen his grip and yield power.

The Baltic republics — Estonia, Latvia, and Lithuania — have long been the most progressive of the Soviet Union's 15 constituent republics.

In recent weeks, the Communist Party leadership in Estonia and the mass movement known as the Popular Front have been in general agreement, fighting Moscow on a series of proposed changes in the Soviet constitution. They assert that the changes will mean more centralization, and they have demanded greater independence for the Soviet republics.

Although one Popular Front leader, Marju Lauristin, said Wednesday that "no one is seeking a collision course with Moscow," conflict appears inevitable.

In a speech in the region of Orei south of Moscow, Mr. Gorbachev appeared on Tuesday to give a warning to movements like those in the Baltics when he said "no one should be speaking in the language of ultimatums."

See ISRAEL, Page 6

Estonia Defies Moscow With A Declaration Of 'Sovereignty'

Earlier this week, he sent three members of the ruling Politburo to the Baltic republics. Viktor K. Chebrikov, former head of the KGB, came to Tallinn and quickly issued orders reading "no to the colonization of Estonia" and "we must be the masters of our land."

Before the parliamentary session began on Wednesday, more than 1,000 Estonians stood across a plaza from the Supreme Soviet building on the steps of a Russian Orthodox church. They waved the traditional blue, black, and white Estonian tricolor and waved banners reading "no to the colonization of Estonia" and "we must be the masters of our land."

Estonia, a republic of 1.5 million people, came under Soviet rule in 1940 after the 1939 Nazi-Soviet pact. Since then, the migration of Russian workers into the republic has caused the percentage of Estonians in the population to drop to 60 percent from 94 percent.

The session opened with a dramatic strike. The Estonian prime minister, Bruno Saul, who has been criticized by the Popular Front for being too close to the Moscow leadership, was replaced by Indrek Toome, an ally of the progressive Estonian Communist Party chief, Vaino Aljas.

Mr. Valtys has a close relationship with Mr. Gorbachev.

Ever since the rise of the Popular Front this summer, Estonia has been in the Soviet political avant-garde.

See ESTONIA, Page 6



Kiosk

Papandreou Shifts Cabinet

ATHENS (AP) — Prime Minister Andreas Papandreou reshuffled his cabinet on Wednesday amid opposition calls for the resignation of his Socialist government because of a financial scandal.

The shake-up abolished the key posts of deputy prime minister, held by two cabinet ministers and increased the cabinet of Mr. Papandreou's Panhellenic Socialist Movement from 47 to 56 members.



The Soviet shuttle Buran. U.S. space experts say it strongly resembles the American craft. Page 5.



Greetings for the Guest at Reagan's Last State Dinner

President Ronald Reagan and his wife, Nancy, right, greeting Prime Minister Margaret Thatcher of Britain at the White House on Wednesday. Mrs. Thatcher was to be the guest of honor during the evening at Mr. Reagan's last White House state dinner. She praised his administration as "one of the greatest in American history." Mrs. Thatcher said that her visit was also aimed at looking ahead to the incoming administration of President-elect George Bush.

For Marcoses, 'Imeldific' Life in Exile

By Kendall J. Wills
 New York Times Service

HONOLULU — Despite Imelda Marcos's complaint that living in exile in Hawaii for the last two years has resembled a prison sentence, friends and other people say that she and her husband, Ferdinand, still enjoy the high life they grew accustomed to in Manila.

They host weekly Sunday afternoon gatherings and lavishly catered dinners at their multimillion-dollar Makiki Heights estate. There are spacious gardens and a swimming pool on the property, which overlooks downtown Honolulu and the Pacific Ocean.

They hold dinner parties at some of the most expensive restaurants in town, and Mrs. Marcos makes occasional shopping trips to Honolulu's designer dress shops.

Even the indictments of Mrs. Marcos and her husband, the former president of the Philippines, on federal charges of fraud and racketeering apparently have not tempered their flair. Mrs. Marcos proudly told reporters in New York recently that a new word, "Imeldific," should be coined to describe her special sort of ostentatiousness.

Yet, according to one of the couple's lawyers, they have "been forced to live on borrowed funds" since arriving in the United States in February 1986 because the Philippine government has effectively frozen the couple's assets.

The couple has said that the house is rented for their use and that friends are making the payments. The rent is said to be several thousand dollars a month.

Although the Marcoses do not seek publicity, partly at the advice of their lawyers, they often get it. Both have been accused in a complex case involving charges of embezzling more than \$100 million from the Philippine government and of using the money to buy three buildings in New York.

Mrs. Marcos flew to New York in late October to be arraigned on the charges. Mr. Marcos remained in Hawaii because of poor health, and his arraignment was postponed.

The couple has only occasionally sought out the news media since being evacuated from the Philippines along with about 90 supporters. But on the island of Oahu, where the social atmosphere in many ways resembles a small town, the comings and goings of such a prominent couple are guaranteed to attract attention.

"She's quite something," said an employee of Sergio's, an Italian restaurant that is

See IMELDIFIC, Page 6

Bush Expected to Name Sununu as Chief of Staff

Compiled by Our Staff From Dispatches

WASHINGTON — President-elect George Bush will reach outside the Washington establishment to name Governor John H. Sununu of New Hampshire to the influential post of White House chief of staff, aides said.

The vice president remained publicly uncommitted Wednesday about filling the job of chief of staff, saying "no final decisions" had been made. But sources close to Mr. Bush said that he was expected to make the announcement on Mr. Sununu soon.

After the president, the chief of staff is the next most powerful person in the White House, with influence over access to the Oval Office, the agenda, scheduling and other matters.

In Concord, New Hampshire, Mr. Sununu refused at a news conference on Wednesday to confirm the reports.

Mr. Bush spent the day in separate meetings with Prime Minister Margaret Thatcher of Britain and Andrei D. Sakharov, the Soviet dissident. He will meet Mrs. Thatcher again for breakfast Thursday.

The apparent selection of Mr. Sununu followed an intense internal struggle among top Bush advisers.

Some members of Mr. Bush's inner circle had favored Craig L. Fuller, who has served as the chief of staff for the vice president since February 1985, to continue that role.

Others had argued for a power-sharing arrangement involving both men and Robert Teeter, a political strategist and chief poll taker for Mr. Bush.

Aides involved in the transition between administrations said Mr. Bush decided to appoint Mr. Sununu in the top spot and to offer senior deputy positions to Mr. Fuller and Mr. Teeter, serving under Mr. Sununu.

Mr. Fuller is also being considered for a possible cabinet position.

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General News

Washington presented the Soviets with allied conditions for a human rights conference in Moscow. Page 2.

Business/Finance

Fortsumma, Little dropped out of the takeover battle for RJR Nabisco. Page 15.

Dow Jones		The Dollar	
In New York		In New York	
Down	38.59	DM	1.717
Up		French	1.8325
		Yen	122.225
		FF	5.867

Soviet Cuts In Military Are Urged By Sakharov

By Michael R. Gordon

New York Times Service

WASHINGTON — Andrei D. Sakharov, the Soviet physicist and human rights campaigner, has called on the Soviet Union to unilaterally cut the size of its military.

Mr. Sakharov said Tuesday that the Soviet military was larger than necessary to protect the country's security. Reducing the size of the armed forces, he said, would help restore trust between the United States and the Soviet Union.

But Mr. Sakharov complained his appeal with a general endorsement of Moscow's approach to arms control. Repeating a major Soviet theme, he also called on Western nations to abandon longstanding insistence on the right to initiate the use of nuclear weapons against a Soviet conventional attack.

Mr. Sakharov made his appeal after accepting the Albert Einstein Peace Prize, awarded by a board of academic, business and scientific leaders. He said he had given long thought to what steps the Soviet Union could take to improve East-West relations.

"I came to the conclusion that the best thing for us to do would be a unilateral reduction of military forces and that would have to begin with the curtailment of the terms of military service," he said.

The Soviet military numbers about 5.1 million men, according to



Senator Edward M. Kennedy greeting Mr. Sakharov as he arrived for a dinner in his honor at the senator's home near Washington.

the International Institute for Strategic Studies. But about 1.5 million of these are noncombatants involved in construction, civil defense and railroads.

In contrast, the United States military numbers about 2.2 million, according to the institute. France has an active military of about 546,000. There are about half a million military personnel on active duty in West Germany. The

size of the Chinese military is estimated at 3.2 million. These figures do not include reserves.

The Soviet president, Mikhail S. Gorbachev, said recently that the Soviet authorities were considering whether to shorten the period of compulsory military service.

But Mr. Gorbachev has also suggested that reductions in size of the Soviet military should be accompanied by similar cuts in the West.

U.S. Gives Soviets Western Terms For a Rights Conference in Moscow

By Don Oberdorfer

Washington Post Service

WASHINGTON — The United States has presented the Soviet Union with a newly forged allied position on a Soviet proposal for an international human rights conference in Moscow in 1991, in a move that officials hope may open the way for a new set of East-West arms reduction talks, State Department officials said.

The allied position, which represents significant shifts by the United States and Britain, was presented last week to Soviet officials in Europe and Washington, and in a letter from Secretary of State George P. Shultz to Foreign Minister Eduard A. Shevardnadze, the officials said Tuesday.

At about the same time, however, France posed a new complication by shifting its stand on proposed East-West talks to reduce conventional military forces in Europe, U.S. officials said.

They said the French demand involved the nature of the link between two East-West negotiations, 35-nation talks under way in Vienna on confidence-building measures, and planned 23-nation talks on conventional arms cuts.

The head of the U.S. delegation to the talks in Vienna, Warren Zimmerman, called the French shift "a very serious problem." He said that it had taken other Western nations by surprise.

The new allied position on a Moscow human rights conference was reached two weeks ago in discussions in Washington, and European capitals, and involved a letter

from President Ronald Reagan to Prime Minister Margaret Thatcher.

Previously, U.S. officials had told the Soviets and U.S. allies that Washington might send representatives to a Moscow human rights conference if key conditions were met. The British had declined to go even that far. The new position, officials said, is that the United States and its allies will attend a Moscow conference if specified conditions are met.

One official characterized the change as from "maybe" to "yes, if."

Officials said these were among the conditions, which were set forth in the messages to the Soviets:

• Release from Soviet prisons of the remaining "prisoners of conscience" who are known to the West. No number or list was given, but the United States is referring to 180 to 200 persons it believes are in this category.

• Release of the sole remaining Helsinki monitor jailed by the Soviets.

• Emigration of all Soviet Jews known to the West to have been refused exit visas.

• A commitment to further increases in emigration from the Soviet Union.

• Progress on ending the Soviet jamming of Radio Free Europe, Radio Liberty and Radio Israel.

• A concrete affirmation that the Soviet Union will put into place laws and institutions that make permanent its recent moves toward improvement of human rights.

In addition, the Soviets were told that access to the proposed Moscow conference must be guaranteed to dissidents, human rights groups and the international press.

Grain Shortage Is Brewing in China

United Press International

BEIJING — China, facing a shortfall in its grain harvest this year, is drinking up too much grain as alcohol, the newspaper Jingji Ribao warned Wednesday.

The economic daily newspaper said that while China allocates 50 million tons of grain annually to feed city residents, an additional

12.5 million tons will be used by brewers and distillers this year to make grain-based liquor.

Because of bad summer weather and other problems, China's grain harvest this year is estimated at 395 million to 400 million tons, below the government's target of 410 million tons and last year's output of 405 million tons.

WORLD BRIEFS

U.S. Arms Delegate Reports Progress

WASHINGTON (AP)—U.S. and Soviet arms delegates have made "a tremendous amount of progress" in the latest four-month round of talks on a long-range nuclear arms reduction treaty, the chief U.S. negotiator said Wednesday.

The 10th round of talks, which adjourned Tuesday in Geneva, left many items still unresolved in discussions of a treaty to cut long-range nuclear forces in half, said the negotiator, Max M. Kampelman. He added, however: "I am impressed with how many agreements we already have."

Soviet officials said Tuesday that they hoped for "new progress" in the Strategic Arms Reduction Talks under the George Bush administration. Mr. Kampelman did not say whether he would continue to lead the talks after President-elect Bush takes office Jan. 20. He said that new approaches could be useful and that there were "no indispensable people in any process."

Pyeongyang Asks Reunification Talks

SEOUL (UPI)—North Korea on Wednesday proposed talks with South Korea leaders "for the promotion of the independent and peaceful reunification of the country," Prime Minister Yi Kum Mo of North Korea, in a letter to Prime Minister Lee Hyun Chae, suggested that leading officials of both nations meet on the border in mid-December, according to the Korean Central News Agency, monitored in Tokyo.

In Seoul, officials said the government would respond after studying the proposal. Mr. Yi's letter arrived on the eve of the sixth round of talks between parliamentarians of both sides in Panmunjom aimed at arranging full-scale reunification talks either in Pyongyang or Seoul.

In the previous five rounds of talks, held in August and October, each side refused to make major changes in its positions and blamed the other for blocking progress.

Israel Tested Nuclear-Capable Missile

LONDON (AP)—Israel has conducted a second secret test of a tactical ground-to-ground missile with nuclear capability, Jane's Defense Weekly reported Wednesday. The Jericho-2 missile was fired into the Mediterranean in September, around the time Israel launched an experimental satellite into space, the military journal reported unidentified U.S. intelligence sources as saying.

The two launchings did not appear related, Jane's said. The missile was first test-fired in May 1987 and splashed down south of the Greek island of Crete, Jane's said.

The 1987 launching carried the missile 530 miles (858 kilometers), and the missile was projected to have a maximum range of 940 miles, putting it in striking range of all the Arab capitals, Jane's said. The launching in September did not yield any additional information regarding the missile's capabilities, it said.

TRAVEL UPDATE

About 5,000 Brussels police officers demonstrated Wednesday to demand higher pay on the ninth day of a strike that has caused traffic jams in Brussels and divided the six-month-old coalition government. (AFP)

Czechoslovakia, trying to ease shortages on the domestic market, has imposed restrictions on goods that can be taken out of the country, including meat, spices, tea and coffee, cocoa, children's clothing and footwear. (Reuters)

Drivers pounding over potholed roads at reckless speeds cause 40,000 traffic deaths a year in the Soviet Union, the newspaper Pravda said Wednesday. "There is a lack of elementary ethics on the road," the paper said, "with drivers behaving rudely and without any respect towards each other." (AP)

Flight delays at O'Hare International Airport in Chicago have worsened since the Federal Aviation Administration limited landings per hour there for safety reasons. American Airlines said 25 percent of its 285 daily O'Hare arrivals were delayed 15 minutes or more in October. In the same month last year, 2 percent of its arrivals had similar delays. (AP)

Controller System Assailed After Close Call on Air Force One

By Richard Witkin

New York Times Service

NEW YORK — Contending that many "deficiencies" allowed President Ronald Reagan's plane to fly illegally close to another airliner last month, a federal safety agency has called for an urgent review of the traffic control system throughout the Northeast.

The National Transportation Safety Board says it "believes that the seriousness and magnitude of the problems justifies the highest level" of action by the Federal Aviation Administration.

The FAA operates the traffic control system and is part of the Transportation Department.

The safety board is an independent agency established by Congress. It can make recommendations to the FAA but it has no power to issue orders.

However, its indictment was one of the most far-reaching criticisms it has directed at the aviation agency in recent years.

The president's plane, Air Force One, was on a flight from Philadelphia to Newark, New Jersey, on Oct. 12 when it passed a Bar Harbor Airlines twin-engine turbo-prop at 500 feet (152 meters) vertically and 1.8 miles (2.55 kilometers) horizontally.

A controller, spotting the converging flight paths, radioed belated instructions to ensure a safe separation and the president was never in imminent danger.

But the distance between the planes was much smaller than the margins allowed under aviation agency rules — 1,000 feet vertically or five miles horizontally.

The incident occurred at an altitude of 11,000 feet, about 50 miles southwest of New York.

The safety board said its inquiry "identified numerous managerial, operational, and training deficiencies in four different air traffic control facilities that contributed, directly or indirectly, to this incident."

"The safety board believes," it continued, "that these deficiencies represent a serious lack of effective management and quality assurance of these facilities and, if not corrected, could lead to an erosion of safety in the high-traffic" Northeast.

"The FAA should conduct an independent evaluation of these facilities and implement appropriate corrective action immediately," the board said.

The four FAA stations singled out included radar facilities near Washington and New York, and in Philadelphia.

The safety board listed 14 examples of what it had found wrong, including:

• A directive to hold up traffic into Newark because of the impending arrival of Air Force One was misunderstood because the message was not specific about the route Air Force One was using.

• Two controllers who observed Air Force One and the commuter plane converging did not raise an alarm because they assumed that plans had already been made to resolve the potential conflict.

• An area supervisor involved indirectly in the incident was found to have been "assigned to a position for which he was untrained and unqualified" while another air traffic coordinator was given duties "without receiving formal on-the-job training or a briefing on his responsibilities."

• The harshest criticisms were centered on the "quality assurance" program that the FAA uses to monitor the traffic control system and make certain that its operations are at peak efficiency.

The board said inquiries into past accidents and incidents had repeatedly criticized the quality assurance program at the "national, regional and facility levels."

"The safety board continues to be concerned," it

said, "that there is no standard surveillance of the quality of controller performance and, as such, the program is inadequate."

"Many times," the board said, "managerial, operational, and training problems, which were identified through previous quality assurance evaluations, remain uncorrected a year or two later and are found to be contributing factors to operational errors."

The safety board criticized the FAA's insistence on assigning the quality assurance job to personnel within the agency's air traffic control organization, instead of to independent employees reporting to the head of the agency.

The board noted that, as recently as August, such a separation of responsibility had been strongly recommended after its inquiry into controller errors at the terminal radar station in Chicago.

The FAA replied that it was setting up a special evaluation office as an "independent body to insure an unbiased evaluation and quality assurance function." But it was still under the jurisdiction of the head of the air traffic division.

The safety board said Tuesday it was "disappointed" by the response. In effect, the board concluded, the quality assurance group was "evaluating itself."

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BRIEFS

Reports Progress... Soviet arms delegates have reached the latest four-month round of negotiations...

Adjourned Tuesday in Geneva... discussions of a treaty to cut nuclear weapons...

Unification Talks... on Wednesday proposed talks on the promotion of the independence...

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Brady at Treasury: Traditional Style And the Status Quo

By Paul Blustein Washington Post Service WASHINGTON — Nicholas F. Brady, the man President-elect George Bush has named to run the Treasury Department, is as moderate and pragmatic a Republican as the man he replaced in August...



Nicholas F. Brady and John Sununu

Mr. Brady, 58, was born and bred for such high-powered financial responsibility. His Irish ancestors included the founders of several companies, and he graduated from St. Mark's School in Southboro, Massachusetts, Yale University and Harvard Business School before joining Dillon, Read in 1954.

Sununu, Probable Bush Staff Chief, 'Knows How to Push' Bureaucracy

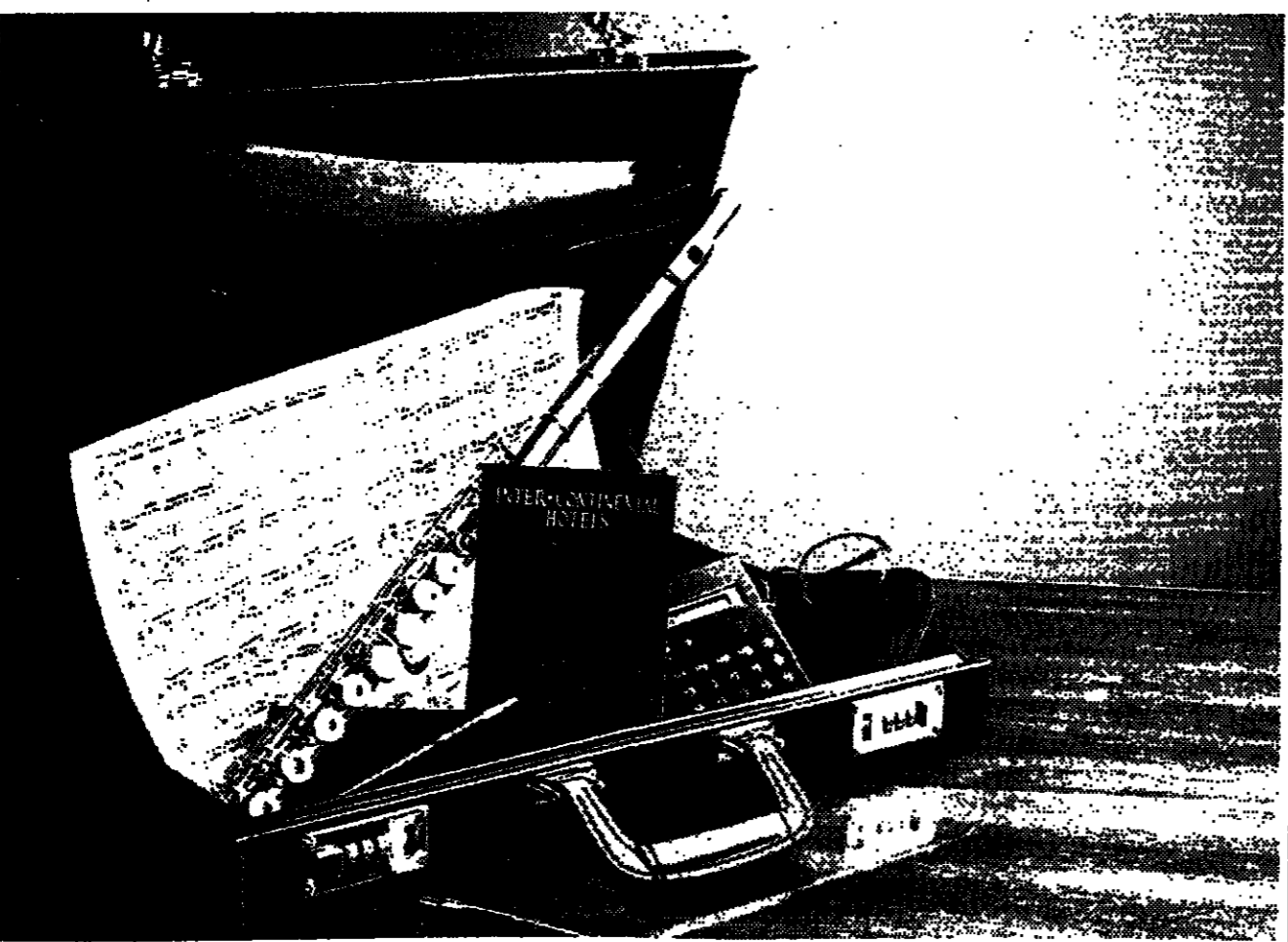
By Joe Pichirallo Washington Post Service WASHINGTON — Governor John H. Sununu of New Hampshire, who reportedly has been chosen as chief of staff by President-elect George Bush, has developed a reputation as a demanding and tough executive with a quick mind and a penchant for taking controversial stands and sticking by them.

Poll Finds 'Negativism' Was Key to Bush Victory

By Thomas B. Edsall Washington Post Service WASHINGTON — The negative attacks on Governor Michael S. Dukakis that were designed to raise doubts about his patriotism and his commitment to combat crime contributed significantly to President-elect George Bush's victory last week, according to a survey by the Times Mirror Co.

Advertisement for Sandeman Founders Reserve Port. Includes text: 'AUTHORS WANTED BY N.Y. PUBLISHER' and 'SANDEMAN FOUNDERS RESERVE PORT. NO LONGER RESERVED FOR THE ENGLISH.'

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BACK BY PUBLIC DEMAND

During October the Fur House of Britain held a series of exclusive fur sales throughout Switzerland. High fashion furs were offered at incredible low prices — so sensational was the demand virtually every item of stock was sold.

Advertisement for Fur House featuring a woman in a fur coat and text: 'TOP QUALITY HIGH FASHION FURS DIRECT FROM THE FACTORY'.

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Support for Kabul

U.S. Experts Say Soviet Shuttle Strongly Recalls U.S. Design

By John Noble Wilford

NEW YORK — American experts say they believe there are fundamental differences in design, capability and function between the U.S. space shuttle and the Soviet version that made its first test flight on Tuesday.

Official photographs of the Soviet shuttle, first made public in September, and drawings prepared by U.S. intelligence analysts show a vehicle that is virtually identical in shape and size to the American reusable orbiter.

The strong resemblance has raised questions about whether Soviet engineers came up with their design for a shuttle orbiter independently or copied U.S. plans.

In a report last year on Soviet military power, the Defense Department said: "Soviet orbiter development has been heavily dependent on U.S. orbiter propulsion, computer, materials and airframe design technology."

By using U.S. technology and designs, "the Soviets were able to produce an orbiter years earlier and at far less cost than if they had depended on their own technology."

Soviet space officials, acknowledging the similarities, contend that they are inevitable because both shuttles were designed to serve much the same function, ferrying people and cargoes into low Earth orbit, then returning to a runway landing.

But U.S. specialists in the Soviet space program question this explanation. They point out that American engineers considered several quite distinct designs, including some markedly different wing and fuselage shapes, before settling on the one adopted in the early 1970s.

The fact that the Soviets picked a design identical to ours can't be coincidental," said Nicholas L. Johnson, a specialist on Soviet space technology on the staff of Brown Teledyne Engineering Corp. in Colorado Springs, Colorado.

"There's no doubt they took advantage of a vast amount of engineering development that went into ours," he said.

Mr. Johnson declined to comment on whether any stolen designs or equipment might have featured in the Soviet shuttle program. "I don't think stealing was necessary," he said. "A lot of the information was unclassified and open, if you knew where to look."

One major difference between the American and Soviet shuttles lies in the booster rockets. The Soviet orbiter has no large rocket engines of its own but does have small maneuvering rockets that also help in reaching orbit.



A SHOW OF FORCE IN CHINA — Chinese students examining a missile during an exhibition in Beijing. Arms makers displayed their latest weapons at the show, which was designed to increase the industry's exports, valued by Western analysts at about \$2 billion last year.

Gorbachev Initiates Diplomacy Thrust

By Philip Taubman

MOSCOW — Mikhail S. Gorbachev's plan to meet next month with President Ronald Reagan and President-elect George Bush in New York appears to be part of a Kremlin effort to consolidate diplomatic gains made in the last year.

Taking advantage of a hiatus in American diplomacy during the election campaign and the final weeks of the Reagan administration, President Gorbachev has been unusually active on the international front since mid-September, and plans to see at least five or six more before the end of the year.

Mr. Gorbachev said at a Communist Party meeting Tuesday in the city of Orel in central Russia that he would also visit Cuba.

Kenya Defender of the Law Tells of Prison Ordeal

By Blaine Harden

NAIROBI — Gibson Kaman Kuria has a lawyerly way of fashioning ugly events into Latinate words suitable for judges in white powdered wigs.

On the day of his release from nine months' detention without trial in a Kenyan jail, he described his humiliating treatment this way: "I was blindfolded and forced to do exercises while naked. They were commenting adversely as to my private organs throughout my interrogation."

rights in Kenya can only go so far," he said. "I can see a civil war. That is very clear."

While Mr. Kuria chooses his words carefully, he does not mince them. The lawyer, 41, whose government did not allow him to pick up the \$30,000 Robert F. Kennedy Human Rights Award at a ceremony Tuesday in Washington, says his homeland is sliding toward political calamity.

ed to travel with her husband, then none of them could travel. The human rights awards, the passport denial and Mr. Kuria's nine months of solitary confinement stem from the lawyer's decision in February 1987 to do his job.

At that time, Kenya was caught up in a round of seditious trials. Amnesty International said in a report that more than 75 political opponents of the government were tortured into making false confessions.

Mr. Kuria was hired by three detainees who said they had been tortured, but who refused to confess to any crime. They asked him to prepare lawsuits detailing torture methods allegedly used by the police.

Mr. Kuria went to the office of the Kenya attorney general in Nairobi on Feb. 25, 1987, to file the suits. The next day, five plainclothes policemen from the special branch, a division of the national police that deals with internal security, picked him up.

INTERNATIONAL CLASSIFIED (Continued from Back Page)

EMPLOYMENT: SECRETARIAL POSITIONS AVAILABLE; EXPERIENCED SECRETARY; REQUIRE FRENCH AND ENGLISH; FILM TV PRODUCTION COMPANY; EDUCATIONAL POSITIONS AVAILABLE; DOMESTIC POSITIONS AVAILABLE; AUTOMOBILES; AUTO SHIPPING; AUTO SERVICES; LEGAL SERVICES; ACCESS VOYAGES; LOW COST FLIGHTS; REAL ESTATE TO RENT/SHARE; PARIS AREA FURNISHED; Embassy Service; YOUR REAL ESTATE AGENT IN PARIS; REAL ESTATE FOR SALE; MONACO; CENTER OF MONTE CARLO; PARIS 16th; EXCEPTIONAL APARTMENT; AUTOS TAX FREE; EXCELLENT INVESTMENT; METRO PASSY; EXCEPTIONAL 340 SQ.M; WAGHAIN PARIS 17th; KIEBER, BY OWNER; BUN ALMA, SUPER APARTMENT; FRANCOIS 1er - MONTAIGNE; REAL ESTATE TO RENT/SHARE; FRENCH PROVINCES; DUTCH HOUSING CENTRE B.V.; ITALY

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Is Peace Closer in the Middle East? PLO Says Yes

By Youssef M. Ibrahim
New York Times Service
ALGIERS — Although they were met with dejection in Israel and a lack of enthusiasm in Washington, the political steps adopted by the Palestine National Council are regarded by the Palestinian leadership as a significant move away from the "rejectionist" views that have dominated the movement in the past.

What is indisputable is that during the four days of talks, Mr. Arafat, the chairman of the Palestine Liberation Organization, seemed to overcome longstanding opposition inside the PLO to UN Security Council Resolution 242, which implicitly affirms the right of Israel to "secure and recognized" borders. The document adopted by the

national council said that Resolution 242 of 1967, and Resolution 338 of 1973 which calls for negotiations, should be the basis of negotiations on any peaceful settlement.

NEWS ANALYSIS

fat, the chairman of the Palestine Liberation Organization, seemed to overcome longstanding opposition inside the PLO to UN Security Council Resolution 242, which implicitly affirms the right of Israel to "secure and recognized" borders. The document adopted by the

In addition, he proclaimed that peace talks with Israel would be based on a 1947 UN resolution that partitioned Palestine between Arabs and Jews — a resolution that was declared "null and void" by the national council in 1968.

And Mr. Arafat persuaded the council to state explicitly that it "rejects terrorism in all its forms."

Recognize the existence of Israel, which Washington has insisted on before dealing with the PLO. And the declaration by Mr. Arafat of an independent Palestinian state, presumably to be situated in the occupied West Bank and Gaza Strip, was hardly likely to encourage Israel to respond positively.

The section saying that peace talks should be based on the 1947 partition resolution failed to take account of the war of 1948, in which the Arab states failed to crush the new state of Israel.

As a result of that war, Israel's territory was significantly larger than first allocated by the United Nations.

Most significant, the war led to establishing Israel's capital in Jerusalem, first just the western part, and after 1967, all of it.

And the section in which the Palestinian leaders rejected terrorism nevertheless maintained Mr. Arafat's distinction that acts of violence committed in lands controlled by Israel were permissible.

If the Algiers meeting does not become a turning point toward negotiations with Israel, it has allowed Mr. Arafat, who seemed close to oblivion in 1982, to achieve new prominence in the movement.

By the time he arrived in Algiers for the meeting of the Palestine National Council — which serves the PLO as a parliament in exile — Mr. Arafat knew he had settled issues that had long been difficult for Palestinians.

The most important of these is an abandonment of the Palestinian dream of liberating all of Palestine.

Several PLO leaders, such as Georges Habbash, maintained as recently as Tuesday the right of all Palestinians to return to their homes even if they lie within Israel's borders. But it is an open secret that maverick groups like Mr. Habbash's Popular Front for the Liberation of Palestine have lost much of their influence inside the PLO.

Inside the Palestinian movement, Mr. Arafat's Fatah movement has re-emerged as the dominant group. It has done so by presenting a platform that dramatically departs from the militant language of extremism and unreality, in the view of experts in Algiers.

Mr. Arafat's strategy is to bring the PLO as close as possible to the American vision of peace in the Middle East. This is because of the conviction within the PLO that without American support no deal with Israel is possible.

Fatah officials say they will move to mobilize Western European and Japanese support in an attempt to sway the United States. And they say they will court Jewish groups in the United States that stand behind Israel.

American and Israeli critics of Palestinian policies insist that none of this is any good unless the PLO explicitly renounces all resistance against Israel and openly recognizes Israel's right to exist.

Does this place the Palestinians' "peace program" out of reach? Mr. Arafat does not think so.

"Our political declaration contains moderation, flexibility and realism, which the West has been urging us to show," Mr. Arafat said Tuesday. "We feel now that the ball is in the American court."



An Israeli soldier guarding three Palestinians seized in Jerusalem Wednesday for throwing a bottle.

Bonn Softens Its Stance on Updating of Missiles

By Robert J. McCartney
Washington Post Service

WASHINGTON — Apparently signaling West Germany's readiness to support modernization of some short-range nuclear weapons in Western Europe, Chancellor Helmut Kohl has said that NATO would be ready to adopt an updated, overall defense strategy by next spring or early summer.

Mr. Kohl's announcement, made at a news conference after talks with President Ronald Reagan and President-elect George Bush, set the stage for one of the first major

NATO decisions to confront the new U.S. administration. Mr. Kohl made the announcement on Tuesday during a one-day visit to Washington.

A senior West German official said that Bonn would be willing to support deploying an updated version of the Lance missile, which has a range of 70 miles (113 kilometers), and a new air-to-surface missile, with a range of 200 to 300 miles, if NATO agreed to sharply reduce or completely scrap arsenals of even shorter-range nuclear artillery.

That represents a softening of

the West German position, and a significant shift toward the U.S. and British stances.

Bonn had previously sought to delay at least until 1991 a NATO decision on deploying new nuclear weapons with ranges shorter than 300 miles. Many of most of such weapons would be placed in West Germany, where there is strong public opposition to deploying new nuclear arms at a time when relations with the Soviet Union have been improving.

Such a NATO agreement, if adopted, would be likely to draw sharp criticism from the Soviet

Union. Moscow has strongly opposed NATO proposals to modernize short-range nuclear weapons.

Under West German pressure, NATO foreign ministers agreed in June 1987 to delay making any commitments on modernizing short-range nuclear forces until NATO developed a "comprehensive concept" for defense and arms control policy.

In practice, the West Germans have used the process of developing the comprehensive concept as a way to delay making a commitment on modernization of short-range nuclear arms. These delaying tactics have irritated the United States and Britain, which have been eager for a decision as soon as possible.

Mr. Kohl said he expected that the comprehensive concept would be ready to be adopted by NATO heads of state and government at a summit meeting marking the North Atlantic Treaty Organization's 40th anniversary. The meeting is expected to be held in London in the late spring or early summer.

West German officials have said that they hoped to postpone a decision on modernization until after West German parliamentary elections at the end of 1990. They have maintained that there was no hurry to make a decision, because existing short-range nuclear weapons such as the Lance will not become obsolete until the mid-1990s.

But the senior West German official, who asked not to be identified, said that the Bonn government now wanted to put any controversy over modernization behind it well before the parliamentary elections. He emphasized that any modernization decision had to be taken by the alliance as a whole, so as not to isolate West Germany.

JAPAN: Lower House Passes Tax Overhaul Measure

(Continued from page 1)

Two prime ministers, including Yasuhiro Nakasone, Mr. Takeshita's predecessor, have suffered crippling political defeats because of their efforts.

It is unclear what political impact the introduction of Mr. Takeshita's tax changes will have on the ruling party. Many analysts believe that in the near term, at least, the Liberal Democrats are likely to lose a number of seats in legislative elections because of the plan.

Nonetheless, the analysts described Wednesday's vote as the high point in Mr. Takeshita's 30-year political career.

This is a milestone for the prime minister and for Japan. A Liberal Democratic side said Wednesday evening, "But I must admit it wasn't always clear he would succeed."

Opposition legislators had refused to discuss the tax package over the past several months unless

the ruling party consented to a full investigation of private stock purchases by politicians, political aides and business executives in a fast-rising real estate company, Reprint Cosmos Co., prior to its listing on the over-the-counter market two years ago.

An apparently incomplete list of those involved in the transactions, released late Tuesday, named almost 160 political and business figures, twice the number previously believed to be implicated. Owners of the stock made substantial tax-free profits by selling the stock once it was listed.

Liberal Democratic members of a Diet tax committee prompted a near-riot in the legislature last week when they approved the reform package in the absence of opposition members. Since then the ruling party has sought compromises with the moderate opposition in return for its participation in a house vote on the bills.

Tuesday night, the ruling party

broke the deadlock by agreeing to establish a 50-member committee to investigate the Reprint Cosmos affair. With that agreement, the Buddhist-backed Komeito, or Clean Government Party, and the Democratic Socialists took part in Wednesday's vote.

Just what impact the committee will have on the Reprint Cosmos scandal is uncertain. But political analysts said that the Liberal Democrats are most vulnerable, not to a Diet investigation, but to one currently being conducted by the Tokyo public prosecutor's office.

Other concessions were made with regard to the tax bills. The sales tax, the most politically sensitive portion of the package, is to be only partly applied for the first six months after its introduction next April.

Some economists have questioned the stimulative power of the tax package, since reductions in direct taxation are largely offset by the new sales tax.

ISRAEL: A Campaign to Counter PLO Recognition

(Continued from page 1)

block, which is wavering, and the West.

Both Israel and the PLO have been extending feelers to Western governments for several weeks, an official said. He said none of the Western nations were likely "candidates for recognition" of the Palestinian state, at least not "at the moment."

Nevertheless, Prime Minister Yitzhak Shamir said Israel would engage in a "diplomatic offensive" against the PLO. Mr. Shamir said Mr. Shamir "meant our representatives abroad are meeting with government and media representatives to explain and persuade them of our position."

At the same time, in the occupied Gaza Strip, Palestinians dodging military patrols violated the total curfew imposed on Gaza since Friday to celebrate the declaration of independence.

In Gaza City, army jeeps cruised the streets in groups of 10 and 15 while soldiers using megaphones warned Palestinians to stay indoors or risk being shot. Two Palestinians have been shot and killed by troops since the army sealed the Gaza Strip last week.

At least 278 Arabs have died in the 11-month uprising. But despite the warnings, Palestinians in Gaza took to the streets

as soon as the patrols disappeared. They banged on drums, clapped, sang and set off fireworks in celebration. When the army jeeps returned, the revelers fled.

Gaza leaders were pleased by the declaration of independence. Zuhair Rayes, a journalist and co-author of the PLO covenant, said "every Palestinian supports the independent state as the national right of the Palestinian people, and this declaration will get us our rights back."

Asad Saftawi, an educator and the leader of the PLO Fatah wing in Gaza, called the declaration "the fulfillment of the demands of the people's uprising." He also predicted that it would be the "first step in a federation with other Arab countries like Jordan and Egypt."

A leader of the Muslim fundamentalist Islamic Resistance Movement, which rejects any form of compromise with Israel, cautiously endorsed the PLO decision. Declining to give his name, he said "we are pleased, but I am conservative when it comes to having the declaration connected to certain international resolutions."

U.S. Dubious on Vote
The United States said Wednesday that the PLO resolution implicitly recognizing Israel was too ambiguous and did not go far enough

to justify direct dialogue between Washington and the PLO. Reuters reported from Washington.

The State Department spokesman, Charles E. Redman, said Wednesday that the PLO must recognize Israel and reject terrorism more explicitly before Washington could support talks with the PLO and back PLO participation in Middle East peace negotiations.

"The reference to UN resolutions 242 and 338 is an advance over previous efforts by the PNC," Mr. Redman said. "Nevertheless, it is ambiguous, both in its placement in the text and its meaning. Possibly implied or indirect recognition of Israel is not sufficient. Recognition must be clear and unambiguous," Mr. Redman said. Asked to elaborate further on the ambiguities, Mr. Redman declined.

But he added that "there are signs that there are Palestinians who are trying to move the PLO in a constructive way — that's encouraging and it should continue."

"But measured against the requirements of the negotiating process, more movement on key issues will be required," he said. "Measured against the positions the PLO must adopt in order for the United States to engage in dialogue, the results of the PNC sessions fell short of meeting those requirements."

NICARAGUA: Emigrants Say 'Si' to Yankee Dollar

(Continued from page 1)

the funds and shop for the many basic goods not available here.

Mr. Carrion also acknowledged in an interview that Nicaragua is undergoing "strong emigration" to the United States because of economic hardship. Many Nicaraguans wait in lines for exit visas. In September, when the opposition daily La Prensa printed rumors that travel of professionals would be restricted, police were called in to avert a riot in the lines.

Last January, there were 10 charter companies in Managua organizing one-way bus trips to Guatemala, the jump-off point for Nicaraguans without papers who cross Mexico and enter the United States illegally. Today, 65 companies send packed buses every day.

Earlier this year, bandeiras on a Nicaraguan highway held up one charter bus carrying many such passengers and stole everything they had, including their clothes. The busload of naked passengers was taken to the offices of La Prensa to tell their story. Many lost to the thieves the savings they had collected from selling off all they owned

in Nicaragua to begin their life in the United States.

"It's costly for our country," Mr. Carrion said. "We lose skilled human capital." But he forewarned no restrictions. At least 150,000 Nicaraguans of a population of 3 million now live in the United States.

After the Sandinista-led 1979 revolution against Anastasio Somoza, the first group to go stateside was an elite that rejected the Sandinistas' Marxist bent. Later, professionals fled to preserve their earnings, or to protect their draft-age sons from conscription. About 9,000 doctors, lawyers and others, a third of the total, have left in nine years, according to the Sandinista professionals' association. The real earning power of the average professional in 1979 was the equivalent of \$600 a month. It is \$40 today.

But the emigrants this year come from the working poor. In February, the government enacted broad monetary change to stabilize the economy, which was in chaos after years of low-level war with the U.S.-backed contras, a U.S. trade embargo and Sandinista mismanagement.

In a few weeks, the austerity program slashed the buying power of a wage-earning Nicaraguan by 84 percent. Now a government employee's monthly salary is estimated to provide only enough for a family of four to eat for one week.

The poor "are once again for the type of economic misery" they knew under the Somoza dictatorship, a pro-government research organization, the Central American Historical Institute, wrote in its monthly report.

ESTONIA: 'Sovereignty' Vote

(Continued from page 1)

gards, constantly testing the limits of Mr. Gorbachev's desire to revise the national economic and political system. Political activity rose sharply with the publication last month of a series of draft changes in the Soviet constitution.

Estonians say they fear that a proposed new Congress of People's Deputies will be able to exercise greater control over the republics. They also object to election laws limiting the right of members of republican organizations, such as the Popular Front, to run in national elections.

Members of both the Popular Front and the Estonian party leadership say the changes will block Estonia's attempt to control its own economic and cultural destiny. Popular Front spokesmen said they had collected 861,000 signatures of Estonians demanding that the changes be redrafted. Mr. Chirikov was reported to have called the petition campaign "illegal" and "coercive."

The declaration demanded that any future changes in the Soviet constitution be approved by the 15 republics before consideration in Moscow.

Although the Estonian legislature is nearly one-third Russian, all the votes on Wednesday were either unanimous or nearly so.

200,000 Rally in Armenia

About 200,000 people rallied late Wednesday in the Armenian capital, Yerevan, to express support for a one-day strike planned for Friday in sympathy with Armenians in Nagorno-Karabakh, the Armenian enclave in the neighboring Azerbaijan Republic, Agence France Presse reported from Moscow.

The strike is to be a "warning" to draw the authorities' attention to the need to satisfy Armenians' demands in Nagorno-Karabakh, one of the militants said.

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French Mail Strike Can Generate Havoc or a Boon

By Barry James
International Herald Tribune

PARIS — It was a big occasion for MG Enterprises, a small software company near Paris that was launching an innovative system to put microcomputers in the hands of fashion designers.

The company rented space in the fashion museum at Covent Garden in London to launch the product — a project that represented more than 10 man-years of work — but was disappointed when none of the French specialist journalists it had invited showed up.

It turned out that none of the 20 journalists had received invitations that had been mailed out weeks before. MG Enterprises was one of the countless business, small and large, that have been hit by a wave of strikes and disruptions in the French postal system for more than a month.

"What happened to us was indicative of what happens when a small company finds a lot of effort wasted by something completely outside its control," said Fawzan Mudarres, the marketing director.

Although there are no official estimates of how much the strikes have cost in terms of lost business, the Paris Chamber of Commerce says the disruption and uncertainty have created major difficulties for small businesses with tight cash flows. Large institutions have had to dramatically increase their communications budgets.

"We are running up huge telefax and cour-

rier bills," a spokesman for the International Chamber of Commerce in Paris said. "It's the same in any organization where moving paper around is absolutely essential to its functioning."

In the Lille-Roubaix-Tourcoing triangle in northern France, the strikes have had a particularly damaging effect on the economy, according to the local chamber of commerce and industry. The three communities on the border with Belgium are the home of some of Europe's largest mail order companies, which have grown alongside the regional textile industry and the development of high-speed road and rail communications.

Dominique Louvet, a spokesman for the chamber of commerce, said it was too early to calculate losses. He added that several of the mail order houses that rely on catalogue sales for the bulk of their business have had to lay off workers.

After seeing their business evaporate during nationwide mail strikes in 1974 and again in 1983, the big mail order houses in the Lille area — such as La Redoute, 3 Suisses, Blanche Porte, Demart and Quelle — took a variety of steps to make themselves less dependent on the postal system, for example by establishing their own delivery networks and opening stores in major cities. They are also able to take many of their orders by Minitel, the French telex system, or by phone.

But catalogue shoppers in rural areas, an important source of business for the mail order companies, still tend to rely predomi-

nantly on the postal system. At one stage, more than three million letters and packages were piled up inside Lille's strikebound postal sorting center.

The disruption in the postal service forms part of a wave of strikes and work slowdowns by public sector employees hoping to squeeze pay concessions out of the Socialist government elected earlier this year. For its part, the government appears reluctant to grant concessions to one group that might then be claimed by all.

When they have not been on strike themselves, letter carriers in the Paris area have been going on their appointed courses as usual, but with half-empty sacks. According to the government, more than 100 million pieces of mail are piled up in sorting offices, which have been paralyzed by a strike of the drivers responsible for trucking the mail sacks from one depot to another.

Although militants belonging to the Communist-led General Confederation of Labor are still holding out in some sorting centers, the Ministry of Posts and Telecommunications said the situation was slowly returning to normal.

The mail in Paris is still arriving in a dribble, however. Parisians joke bitterly that the unions appear to have devised a fiendish system to deliver bills but not checks.

The ministry said it would take several weeks to overcome the results of the disruption. Postal workers will be dealing not only with the backlog but also with the seasonal rush of Christmas letters and parcels.

The unreliability of the postal system has boosted the fortunes of courier services, private mailing companies and merchants selling facsimile machines. Jean-Pierre Potel, general manager of TNT Mailfast, the biggest private remailing company, said it was handling between four and five tons of mail a day, up 30 percent in less than a month.

Mr. Potel said the disruption had helped make TNT Mailfast widely known and accepted, even though it has operated in France only since July of last year.

The private mailing companies offer a cheaper although not necessarily faster service, known as remailing, by negotiating quantity discounts with cooperative postal authorities, including those in the Netherlands, Belgium and Denmark. The mail is shipped in bulk out of the country and posted elsewhere. The main drawback is that mail originating in France cannot legally be sent back to French addresses from another country.

To get urgent business correspondence from one side of Paris to another, chambers of commerce in the capital and surrounding areas have set up their own sorting offices to bypass the strikebound centers. The sorted mail is handed to the post office for delivery by nonstriking letter carriers.

According to a spokesman for the International Chamber of Commerce and Industry in Paris, its emergency sorting center is handling more than 100,000 letters and small packages a day.

Italy Awaits a Verdict in 1980 Airliner Disaster

By Joseph Fitchett
International Herald Tribune

PARIS — Flying through clear skies, a DC-9 airliner on a domestic flight in Italy crashed under mysterious circumstances in June 1980 as it approached Sicily, killing the 81 passengers and crew, all Italians.

Eight years later, after lobbying by the victims' relatives, the government has ordered a new inquiry into the disaster, amid speculation that it was shot down by a missile fired by a Libyan or Algerian — possibly by Italian — aircraft. The press has accused the Italian military of a cover-up.

"Finally, the government has taken the right step," said Romeo Ferruci, the attorney representing an association of relatives, speaking Tuesday by telephone from Rome. "With such big international and financial interests at stake, it's taken us these years to get the investigation we were asking for."

Several previous inquiries have yielded unsatisfactory conclusions, including a government finding two years ago, without elaboration, that the crash was caused by an explosion.

Wreckage from the plane was

recovered from the seabed in June and sent to Britain to be analyzed at the Royal Artillery Research Development Establishment, whose findings will be submitted to a panel of Italian investigators. The panel is scheduled to report to the government next month.

The Italian news media have said

Some Italian politicians have suggested that the Libyan pilot might have mistaken the DC-9 for a cargo plane that the Libyans believed was smuggling arms across the Mediterranean to plotter seeking to overthrow Colonel Moammar Gadhafi, the Libyan leader.

Colonel Gadhafi was quoted as

"With such big international and financial interests at stake, it's taken us these years to get the investigation we were asking for."

Romeo Ferruci, attorney for relatives.

telling Italian reporters on Monday in Tripoli that "everyone knows it was an American missile and not a Libyan missile" that brought down the airliner.

At the time of the crash, terrorists killed several Libyan émigrés in Italy after Colonel Gadhafi threatened to punish dissidents who refused to return to Libya. Italy's efforts to quell terrorism were led by Francesco Cossiga, who was prime minister at the time.

Mr. Cossiga, who is now president, reportedly intervened personally this summer to ensure that the DC-9 wreckage was sent to Britain for an independent examination.

The United States and France, both of which have fighters operating in the region, denied that their

planes were involved in the DC-9 episode. The North Atlantic Treaty Organization said it was not holding maneuvers in the area at the time of the crash.

Italy's defense minister, Valerio Zanone, has repeated earlier government denials that the Italian Air Force had any responsibility for the accident. He was rebutting accusations that an Italian fighter on a training exercise strayed off course, mistook the airliner for a target drone and hit it with a missile.

Mr. Zanone, replying to charges made by RAI-1, a state-owned television network, said that only two Italian military aircraft were operating in the area and that neither was armed with missiles.

Fragments of a radio-guided target were found near the airliner wreckage, but Italian military officers said they were debris from exercises months earlier.

Mr. Ferruci said his clients, in addition to learning how their relatives died, stand to collect substantial damages if responsibility for the crash can be established.

"The insurance so far was what you would pay for killing a chicken, not a person," Mr. Ferruci said. He

said the damages amounted to 50 million lire (\$38,500) for each victim.

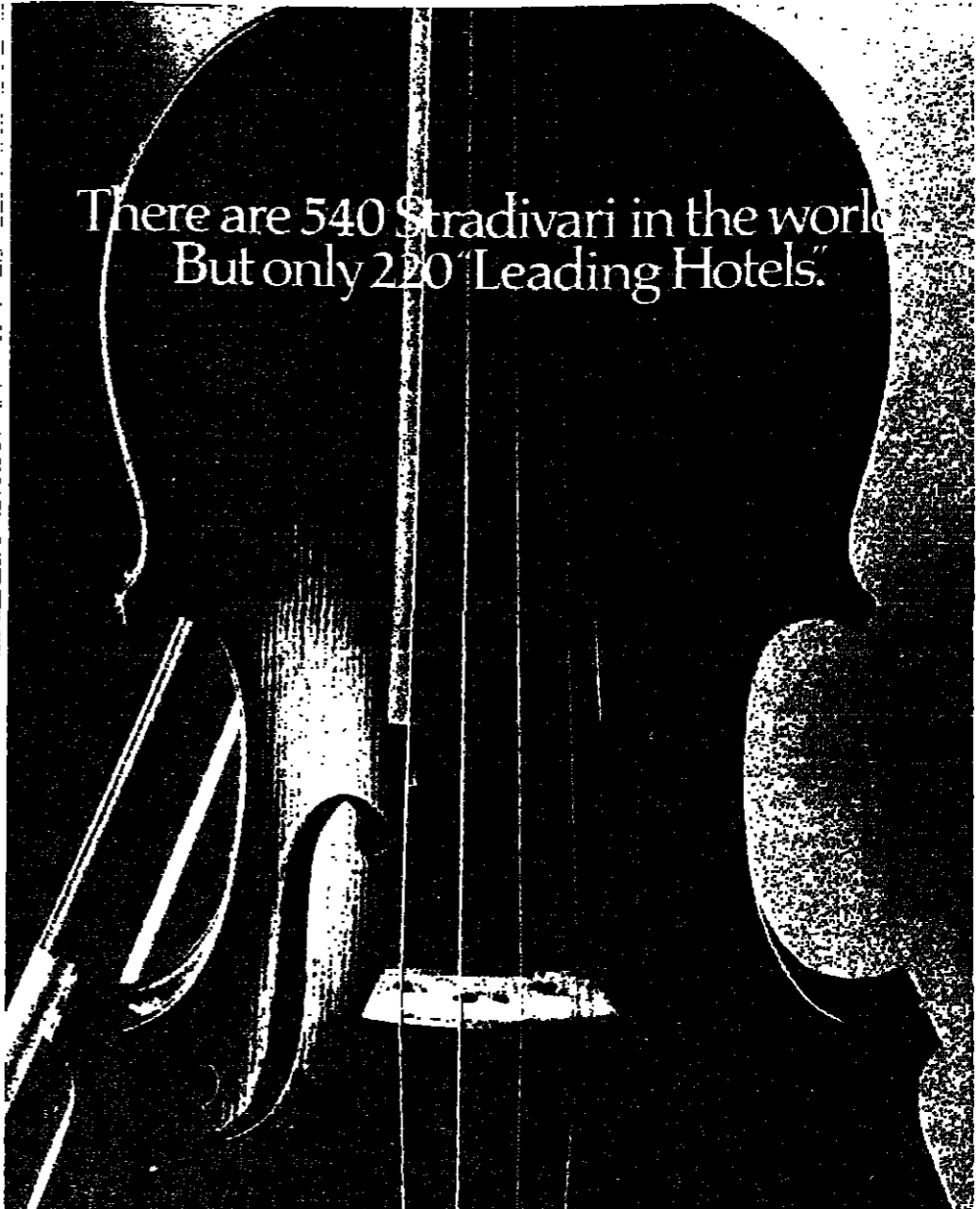
The company operating the flight, the domestic airline Itavia, went out of business after the crash. It was accused of ignoring evidence of structural weakness in the plane that might have caused it to break up in midair.

Mr. Ferruci dismissed this theory, saying, "They forced the company to disappear. We're sure it was a missile."

Signs of high-level interference in the case, he said, included the disappearance of radar records.

Some politicians have joined Mr. Ferruci in charging a cover-up. Giuliano Amato, the Treasury minister, told an Italian magazine that "from what I know of the military authorities' relations with politicians, it is possible that they covered up something."

Questioned in Parliament, Mr. Zanone complained that the relatives had created "feelings of malaise" in the Italian military. Rejecting cover-up charges, he said that Defense Ministry officials and military officers were cooperating with the inquiry.



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White House Acknowledges Delaying Some Policies to Aid Bush Campaign

New York Times Service

WASHINGTON — White House officials have acknowledged that the Reagan administration deliberately delayed a series of sensitive policy announcements until after the presidential election to protect Vice President George Bush's political interests.

One decision involved Social Security and welfare. On Tuesday, it was learned that the administration is preparing rules that would restrict the rights of people to appeal government decisions denying them Social Security or welfare benefits.

Other potentially unpopular moves made after the Nov. 8 election were a program to randomly test 4 million transportation workers for drug abuse, rules permitting employees in certain industries to work at home, and notification to 80,000 farmers that they could lose their property as a result of delinquent loans.

Marlin Fitzwater, the White House spokesman, acknowledged in an interview that some decisions were slowed down for political reasons. "I don't doubt that it happened," he said, "but there was no conspiracy."

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Ireland Ir£	---	155	118	85	47
Italy Lit	---	360,000	295,200	200,000	110,000
Luxembourg L.Fr.	49 49 60	11,000	7,200	6,000	3,300
Netherlands** Fl.	06-022 08 15	600	492	340	185
Norway** N.Kr.	(02) 41 34 89*	2,000	1,276	1,100	600
Portugal** Esc.	(01) 80 71 23*	26,000	26,780	14,200	7,900
Spain** Ptas.	(91) 401 29 00*	31,000	21,780	17,000	9,400
Sweden** S.Kr.	(08) 21 01 90*	2,000	1,276	1,100	600
Switzerland S.Fr.	046 05 68 00	455	455	255	141
Rest of Europe, N. Africa, form. Fr. Afr., Middle East \$	---	470	Varies by country	260	145
Rest of Afr., Gulf St. Asia \$	---	620	---	340	190
Central/Latin America \$	---	540	---	295	160

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INTERNATIONAL Herald Tribune

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More PLO Ambiguity

The Palestine Liberation Organization meeting in Algiers proclaimed the independence of an unborn state and hinted at far-reaching moves toward a Middle East peace. But its final communiqué amounted to the same old jargon that Yasser Arafat has offered up for years...

A Classic Russian Duet

The unlikely partnership of Mikhail Gorbachev and Andrei Sakharov has been an international fascination. Mr. Sakharov was cruelly exiled for using the platform of his eminence as a scientist and dissident to criticize arbitrary Communist rule...

Tokyo Loses Its Senator

Ten or 20 or 30 years after most people have slowed down, Mike Mansfield is just retiring as ambassador to Japan. At age 85, he has been in Tokyo 11 years. Before that he served 34 years in Congress...

Other Comment

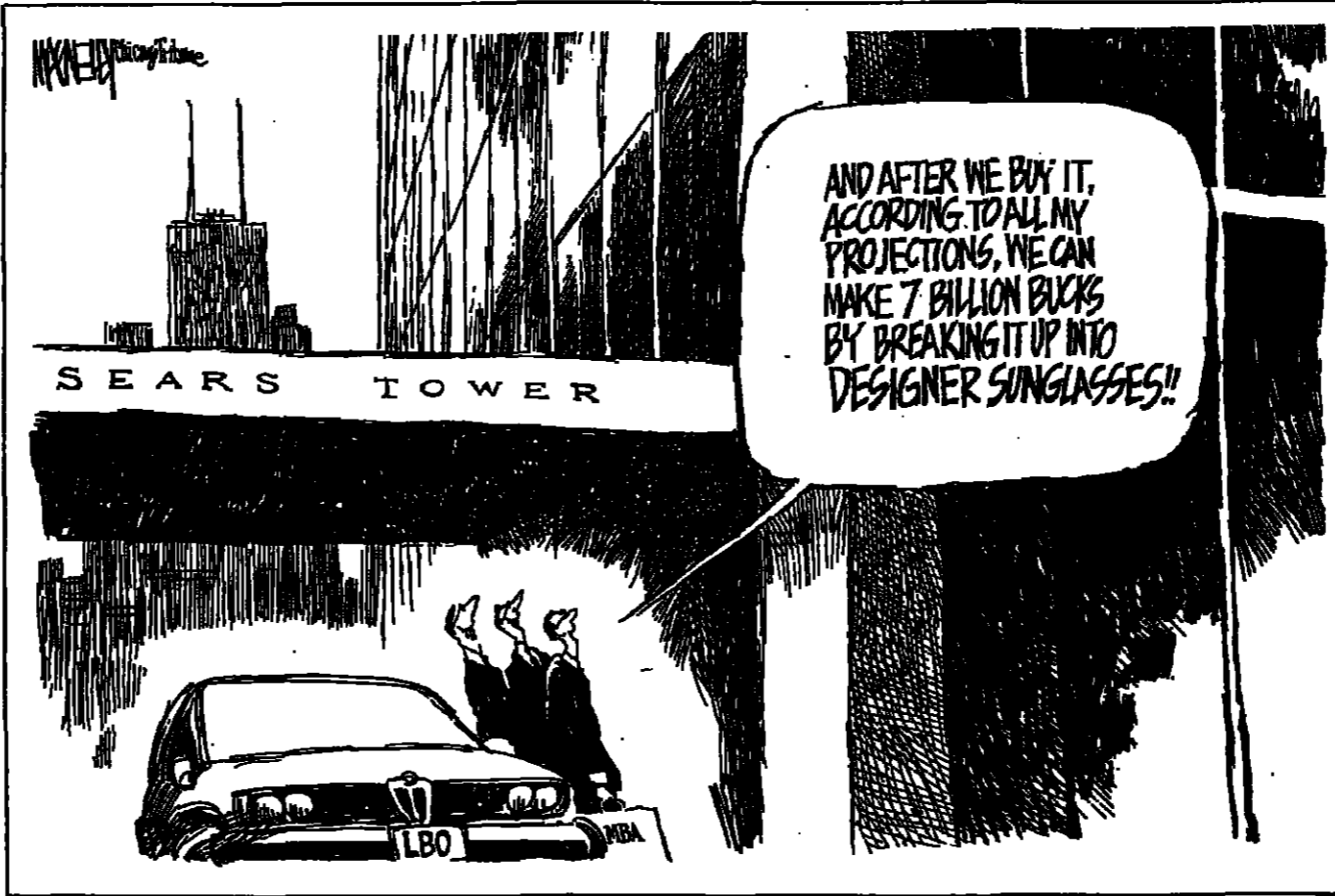
PLO: A Step, but Not Enough Israel, at this time of inner turmoil, is poorly placed to face the challenge of a Palestine Liberation Organization whose chairman has at last let his colleagues accept UN resolution 242, which implicitly acknowledges the existence of Israel...

OPINION

Harangue Instead of Giving Up

By Flora Lewis

SINTRA, Portugal — Next month brings the 40th anniversary of the universal declaration of human rights. "Between hope and frustration" was the apt title for a meeting here on how to press ahead. Indeed, the record is spotty.



Germany: A Nation of Two States in Slow Motion

By Michael Stürmer

ERLANGEN, West Germany — Mikhail Gorbachev and his advisers have given only the barest outline of what they mean by two states they have coined: "a European house," supposedly shared by Europeans of East and West, and "new thinking." What is clear is that Mr. Gorbachev has moved beyond the Soviet concept of the existence of two distinct nations in the part of Europe once called Germany...

Canada: The Global Economy Won't Be Serene

By Jim Hoagland

WASHINGTON — "Politics and economics cannot be separated in a capitalist society, any more than religion and society are in an Islamic one," Eric Hobsbawm writes in "The Age of Empire." These words could serve as the inscription on the political tombstone of Prime Minister Brian Mulroney if the ruling Conservative Party loses Canada's national election on Monday...

A Vote on the Nature of the Country

By John Ralston Saul

TORONTO — Canadians are in the last days of an astonishing political fight, and the smell of an upset is in the air. Brian Mulroney and his Conservative Party, who for four years ago won the greatest parliamentary majority in Canadian history, may lose it on Monday to John Turner, who entered the campaign with his Liberal Party divided and deeply in debt...

100, 75 AND 50 YEARS AGO

1888: Pirates Raid Post

MARSEILLES — The latest news from Tonquin brings details of a serious fight which took place on the night of Oct. 2 between the occupants of the French military post at An-Cham and a band of Chinese pirates. The Chinese, who were 200 strong, succeeded in forcing the stockade of the fort, and threw themselves upon the defending force with the ferocity of demons.

1913: Minister Resigns

MEXICO CITY — Senor Manuel Garza Aldape, Minister of the Interior, has resigned. It is reported at the request of General Huerta. Senor Aldape may leave the country, as he fears for his life.

1938: Continental Guard

WASHINGTON — A Western Hemisphere standing strongly together and ready to throw up a wall of armed force against totalitarianism was seen as a distinct possibility for the near future today [Nov. 16] by observers after weighing President Roosevelt's invitation to mission yesterday and the quick and generally favorable reaction that it brought from Canada and from the other twenty American republics.

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OPINION

Bush: Tomorrow Is Apt To Be Much Like Today

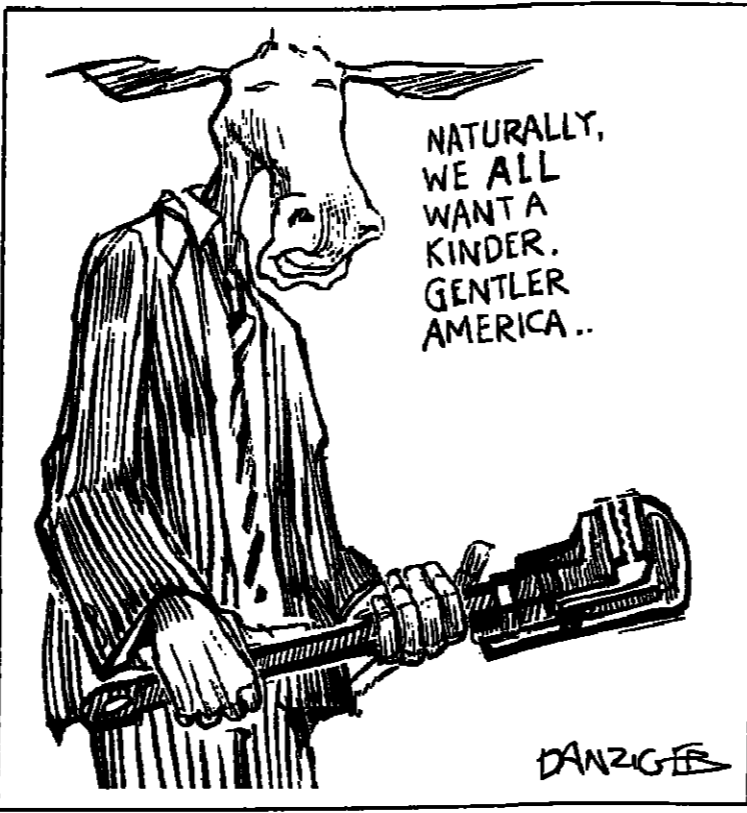
By George F. Will

WASHINGTON — George Bush's only clear campaign pledge was to continue President Reagan's policy of borrow-borrow, spend-spend, elect-elect...

He promises to halt the four-year decline of defense spending, which is 27 percent of the budget. Entitlements and other mandatory programs are 47 percent...

Why All the Fuss?

THE alarmist consensus on the budget deficit is astonishing. Is there a danger in having so much debt held by foreigners?...



Do-Gooders Have to Give It Away

By Rebecca Brito

PARIS — Don't believe everything you hear about compassion fatigue. Donor fatigue, maybe. When Bangladesh was ravaged recently by floods...

MEANWHILE

other UN programs, CARE, the Presbyterian Church in America, the Society of Friends in Britain, and others...

making inquiries similar to mine? Were there ever, I was told. The do-gooder glut seems to have several causes...

I re-examined my finances, then sent off a much larger batch of letters, offering my services entirely free...

LETTERS TO THE EDITOR

Nannies vs. Big Brother

George F. Will (in "Dukakis Is Communicating an Unworkable Message," Oct. 20) informs us that liberalism has become the "rasping voice of bossy government"...

Bush Was Right to Attack

Regarding "ACLU Complains of Bush 'Slender'" (The Hastings, Sept. 28): Most Americans who value democracy and freedom agreed with George Bush in his attack on the American Civil Liberties Union...

Take Therapy Seriously

Regarding "Couch Philosophy, the 75-Minute Hour" (Weekend, Sept. 16): The view that "unlike psychologists or psychotherapists, the philosopher takes the visitor's words at face value and proceeds to discuss them seriously and critically..."

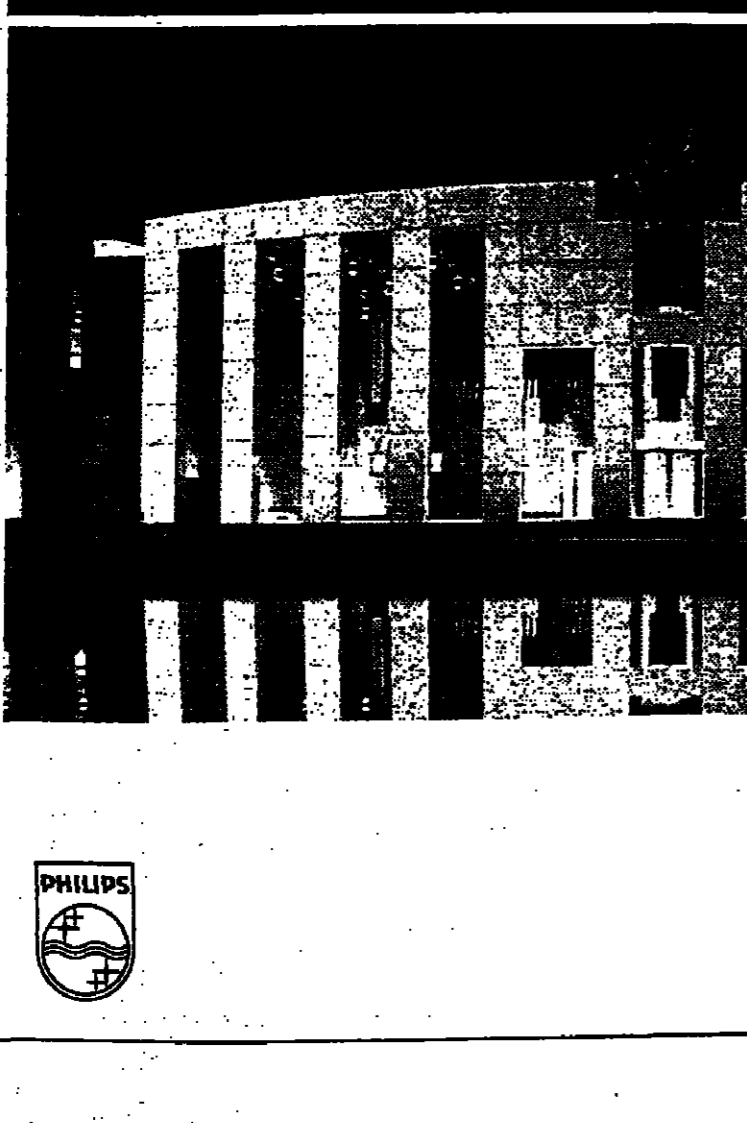
The Journal: No Intention of 'Scaling Back' in Europe

To set the record straight, I would like to correct the most important false and misleading implication in your story about the Wall Street Journal/Europe...

Call It Barrystroika

It being the night before a public holiday, we had stayed up until the early hours discussing the problems of the Soviet economy. Awakened by morning noises after what seemed a few minutes' sleep, I zombied into the kitchen...

The architectural excellence of Nordrhein-Westfalen's new parliament building at Düsseldorf, West Germany, is equaled only by the sophistication of its information technology.



PHILIPS - SERVING GOVERNMENTS FROM WEST GERMANY TO AUSTRALIA.

systems as well as sound/tv relay were installed. In Canberra, Australia, we equipped the new Parliament House with a communications network capable of handling up to 100 FM stereo radio channels and 100 TV channels with stereo sound.

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Harangues Instead of Giving U

By Flora Lewis SINTRA, Portugal — brings the 40th anniversary of the universal declaration of rights. "Between hope and here on how to press ahead the record is spotty.

50 YEARS AGO for his life. Many Americans the capital daily. The tension to grow and a crisis is expected that defies any one regard to the demands of the States within seventy-two years.

OMAN

Sultan Qaboos bin Said, ruler of Oman, has made self-reliance a national goal. In less than a generation he has transformed the Sultanate into a thoroughly modern state. Now the emphasis is on encouraging more investment and joint ventures.

ONCE the most backward of the Arabian peninsula nations, Oman has today taken a giant step forward into the 20th century and is now preparing to meet the needs of future generations. In the last 18 years, Sultan Qaboos bin Said has succeeded in molding his once primitive country into a land envied by many of its oil-rich neighbors. Oman has also played a major role on the international scene as one of the guardians of the strategically important Strait of Hormuz, and has used its diplomatic weight to help bring about the cease-fire in the Gulf War. And in a new era of "glasnost," it last month gave a red-carpet welcome to the President of the People's Democratic Republic of Yemen, its southernmost neighbor, with whom it fought a bitter war in the 1970s. The two leaders signed a trade, economic and communications agreement. When the young sultan came to the throne in 1970, there was only one small hospital in the capital, Muscat. There were practically no schools, no surfaced roads to speak of, no decent airports and a subsistence economy based almost entirely on farming and fishing. Anyone who had left

the sultanate before 1970 and returned today would find it hard, if not nearly impossible, to recognize old familiar landmarks, many of which have been swept away by the course of progress. There are new hospitals (including a recently opened \$250 million, 630-bed Royal Hospital) and health clinics in every town and village. There are schools, a university, half a dozen luxury hotels and a network of surfaced roads linking every corner of the country, which stretches more than 1,000 kilometers (620 miles) from the searing heat of the Musandam peninsula beside the Strait of Hormuz to the tropical green of Dhofar province in the south. It is possible to make a phone call to anywhere in the world with little or no delay through the ISTD system. There are new international standard airports, an expanding oil industry and an increasing range of local manufacturing industries, ranging from plastics to a state-of-the-art copper smelter. Sultan Qaboos and his government have succeeded in doing in less than one generation what many nations in the West have taken hundreds of years to achieve. But Oman has had its

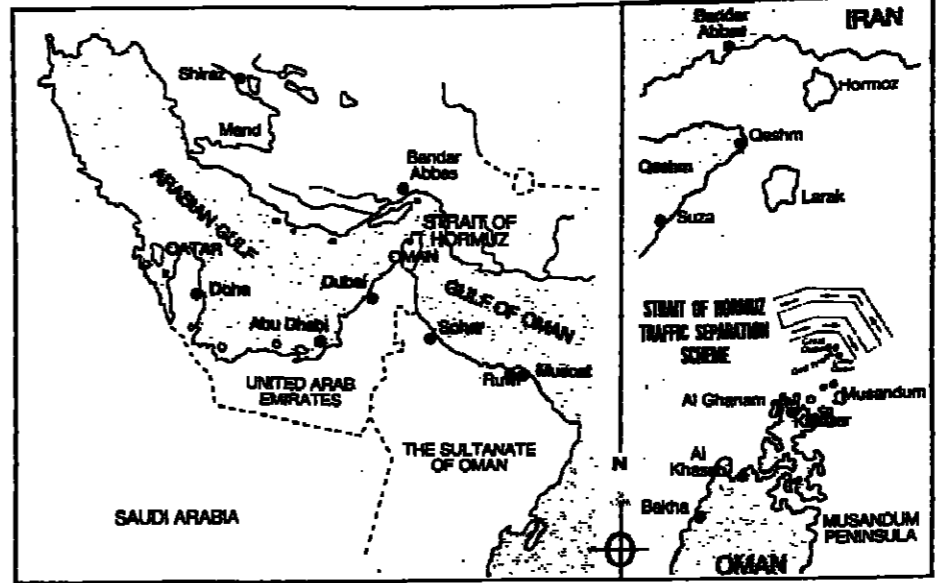


Sultan Qaboos bin Said, ruler of Oman since 1970.

problems, too. It fought a long, drawn-out guerrilla war with the Marxist Southern Yemen. It has survived the decline in oil revenues just as it was about to maximize its own production. Earlier this year, some parts of the country suffered severe devastation as a result of torrential rains. Today Oman is forging new diplomatic links, increasing its internationalization and encouraging more industrial joint ventures. With the easing of entry restrictions, it is also developing its own tourist industry. Oman has a wealth of riches with which to support an economically important tourism sector. It has

started in a small way with selective groups of visitors, mainly from Europe. There are excellent hotels and many opportunities to visit important ancient, medieval and 18th century sites throughout the country. No other Arabian land has so much to offer. The genuine hospitality of the Omanis themselves makes a visit memorable. This has been an important year in the history of Oman. At the start the Sultan outlined his national goals, aimed at greater self-reliance in both material and human resources. Greater Omanization of key sectors of the economy and industry is a paramount target, and Sultan Qaboos has urged greater cooperation between the private and state sectors in order to achieve this national objective. Oman's Petroleum Development Agency is currently producing around 600,000 barrels of oil a day. Two new fields have just been discovered. In addition, gas is playing a more significant part in the hydrocarbon industry. Japan is the major importer of Oman's oil products, which account for more than 90 percent of total exports. Because of the fall in oil prices from \$27 a barrel in 1986 to the current figure of around \$10, revenues have dropped sharply. Oil revenues this year are expected to reach RO 1.35 billion (\$3.5 billion). Major expenditure cuts on proposed public spending by the government have reduced the 1986 deficit of RO 742 million to RO 149 million. These savings have been made in order to conserve national reserves and maintain a higher level of international credit worthiness. Finance Under-Secretary Mohammed bin Moosa Al Yousef told a group of potential investors earlier this year that the government had approved projects worth RO 352 million, part of a

total RO 780 million expenditure falling within the third five-year plan (1986-1990). Oman's 25 banks are now trying to consolidate their overall position by making greater provisions for non-performing loans. Total lending at the end of 1987, according to Mr. Moosa, was estimated at RO 748 million. The banking sector, while acknowledging its current difficulties and reduced profits, considers the present period as a return to more normal times compared to the exceptionally profitable periods when oil prices were high. The most important development on the financial front is the imminent opening of the new stock exchange, which should encourage greater private-sector participation. As it is, the government has now allocated some RO 88 million to help develop private-sector projects as part of its self-reliance plan. The manufacturing and industrial diversification strategy is also paying off, in spite of the general economic downturn. New companies continue to be registered (114 in the first half of this year), bringing the total to more than 30,000. Although the per capita income has declined, Oman has continued to improve its overall infrastructure with additional power and water supplies, more low-cost housing and increased social services. With the prospect of stability in the region and increased cooperation among the Gulf Cooperation Council members, Oman continues to play an important role as it moves toward greater self-sufficiency.



Oil and Natural Gas Fuel the Country's Economy

PETROLEUM Development Oman's September announcement of the discovery of two more oil fields in Southern Oman reflects its continuous search for new oil reserves. Just six kilometers from Rajaa 1, its 50th field, brought into operation last June, light oil was struck at about 1,200 meters. The second find, also light oil, was at Zumurrud in the Marmul area. Exploration Manager Peter de Ruijter says: "It's difficult to define the size of the find, but we're very encouraged to find oil in what was known to be a risky geological setting." Oman, which is not a member of OPEC, has increased production in response to the failure of the organization to agree on output. Oil and related products accounted for 91 percent of Oman's exports in 1987. Japan was the big-

gest purchaser, with nearly 60 percent of oil exports going to industrialized countries. Gas is also playing an increasingly important role in the economy of the sultanate. A 36-inch pipeline is being laid 180 kilometers from Izz, south of Nizwa, to the Yibal field. This line will parallel an existing 30-inch line; looping has already been completed between the coast and Izz. The 13-meter lengths of special-grade pipe are being delivered in five shipments from Italy between now and the end of the year. The project is designed to be completed in time for next summer's peak demand. Local consumption of gas is increasing as families turn away from cooking with firewood and imported coal. In 1980 there was a steady demand for 10,000 metric tons a year, but by 1987 the National Gas Company sold

an astounding 34,784 metric tons — a considerable jump from their initial 1981 total of 4,194 metric tons. Gas exploration and exploitation has gained new prominence in oil-field management. The commodity that used to be burned off as useless now finds ready buyers. At the beginning of 1988, the Oman government appointed the U.K. company Deloitte, Haskins and Sells to undertake a study of supply and demand in order to set production targets for the next 40 years. Known natural gas reserves are thought to exceed 10 million cubic feet, and further sites are being explored. Sites include a number of offshore areas. The development of industry not only in Oman but in the Gulf as a whole further emphasizes the potential value of recoverable gas.

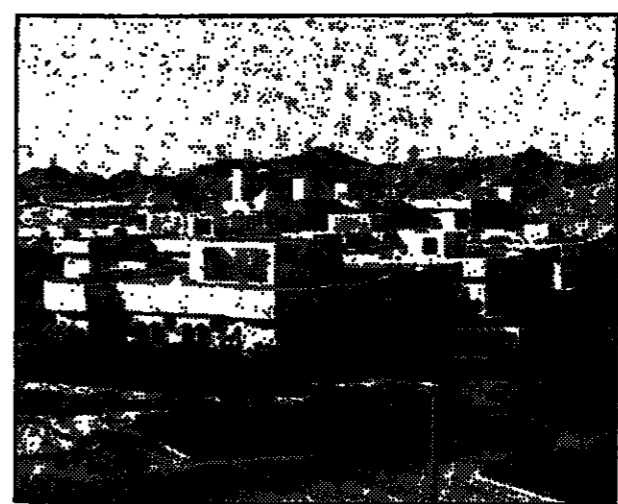
Boris Malla

Lee Voysey

From Textiles to Halwa

THE Oman Chamber of Commerce and Industry, in association with the Gulf Organization for Industrial Consulting and the Ministry of Commerce and Industry, recently organized seminars to highlight opportunities in 13 new ventures. Inaugurating the Muscat seminar, Commerce and Industry Minister Salim bin Abdullah Al Ghazali said the government hoped that new and constructive ideas showing the way to better industrial policies would result, and that participants would have the opportunity to acquaint themselves with the government incentives available to industrialists. In the first two years of the five-year plan beginning in 1986, 656 new capital-intensive companies registered a total investment of more than \$356 million. Interest-free loans of approximately \$54 million were provided to some 58 industrial companies. In the first half of 1988, 114 companies were registered with a capital investment of nearly \$18 million. The newly licensed industries include poultry processing, a textile mill, shark processing, carpamllins and tents, castor oil and cakes, toilet soap, bleaching

and scouring powders, metal cans, polyethylene conversion, industrial truck bodies, adhesive tapes and water pumps. Care has been exercised to distribute a share of the industrial development to the south and to the interior areas. Within the Russayl Industrial Estate, some 45 kilometers (27.9 miles) from Muscat and six kilometers from the international airport at Seeb, the Omar Zawawi Establishment will open a 10,000-square-meter (107,639-square-foot) textile mill in November. According to the Oman Textile Mills Company S.A.O. general manager Mr. Y. Gopal Krishnan, the mill is equipped with the latest Sulzer Bros. P7100 weaving machines from Switzerland, which will give a capacity of about 8 million meters (around 8.75 million yards) per year. The factory aims to be highly flexible in its product mix, and will be able to produce a wide range of fabrics. Estimating the total Omani fabric market at 25 million meters per year, the goal is to compete with imported fabrics on a quality rather than price basis. The project, with an investment cost of around \$22 million, is expected to be offered in

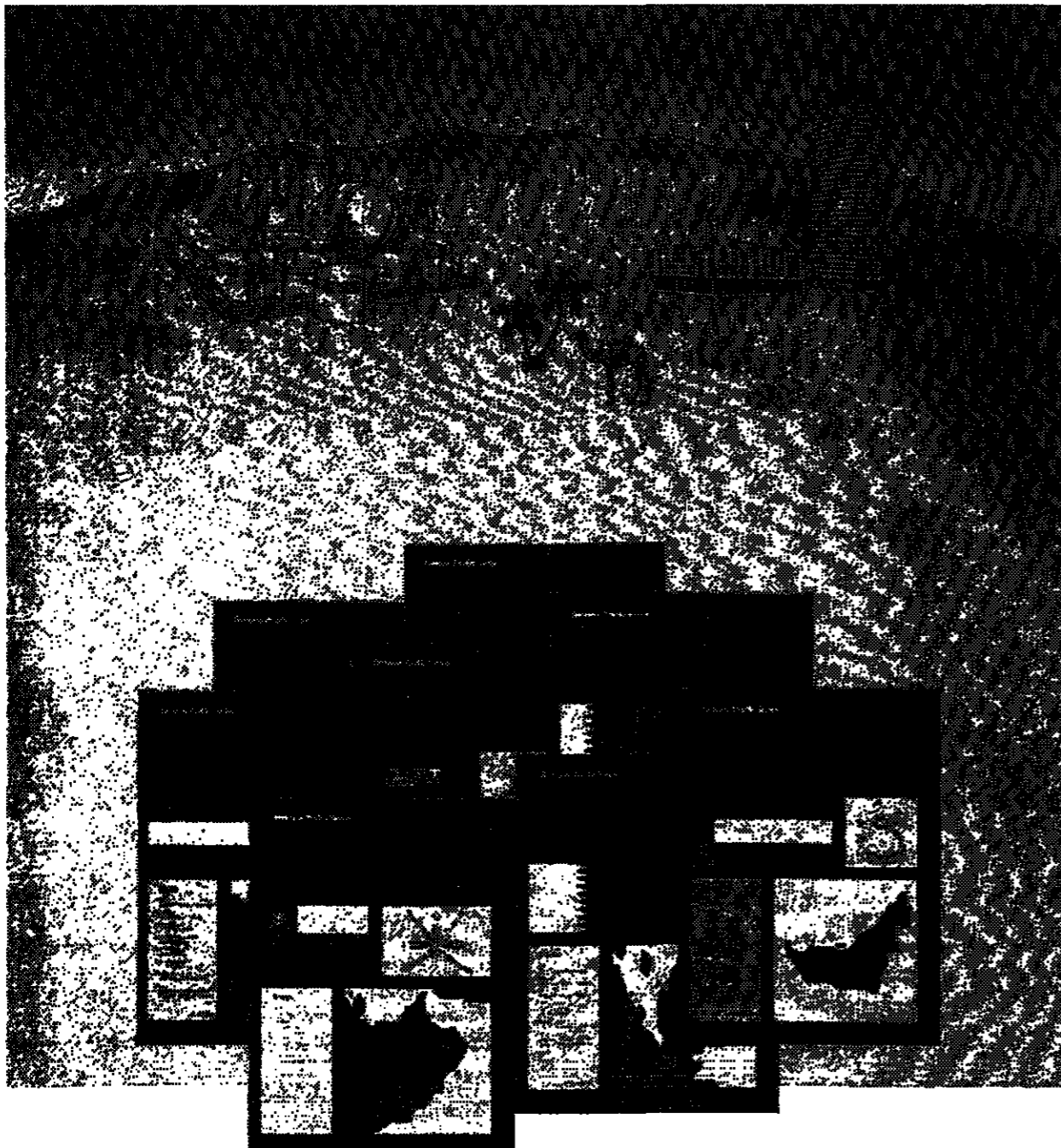


Russayl Industrial Estate.

part to investors on the new Oman Stock Exchange. Another Omani conglomerate, Sabco, which includes the frankincense-based Amouage range of perfumes and toiletries, has promoted another venture with a local bias. They have linked up with sweet and chocolate makers Barker & Dobson to manufacture a range of confectionery based on Omani halwa. Made from sugar and ghee (clarified butter) and flavored with rose water and spices, halwa varies slightly from district to district in flavor, but is traditionally served with the slightly bitter cardamom-flavored Omani coffee. Sabco's Mr. Hikmar

Dandan reports that it plans to make a "Halwa Bar" in the style of a Mars bar, boxed chocolates filled with halwa in semi-liquid and fondant form, halwa-flavored coffee and a boiled sweet flavored with halwa. The \$3.25 million project is in partnership with Zubair Enterprises, and 25 percent of the company will be made available on the new stock exchange. Growth is being seen in the mining and processing of copper, a project included in the first five-year plan. Development Council statistics show an increase in the export of copper cathodes during the first three months of this year, from \$6.6 million in 1987 to \$12 million in 1988. The Omani government recently entered into an agreement with the Bureau for Geological and Mining Research to evaluate copper reserves in Northern Oman. Reports speak of copper deposits "streaked with gold and silver" being found. In regard to the formation of the National Fisheries Company, Mr. L.C. Llewellyn, chief executive of Ominvest, the major investment and development company, says that this is a sensible approach to regulating the exploitation of the sultanate's resources. The waters around the coasts of Oman are rich in fish, and he is pleased to see that the fishing industry will be managed to benefit the people of Oman.

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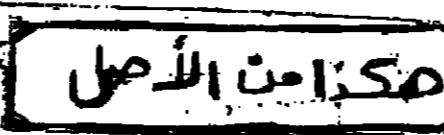
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Economy

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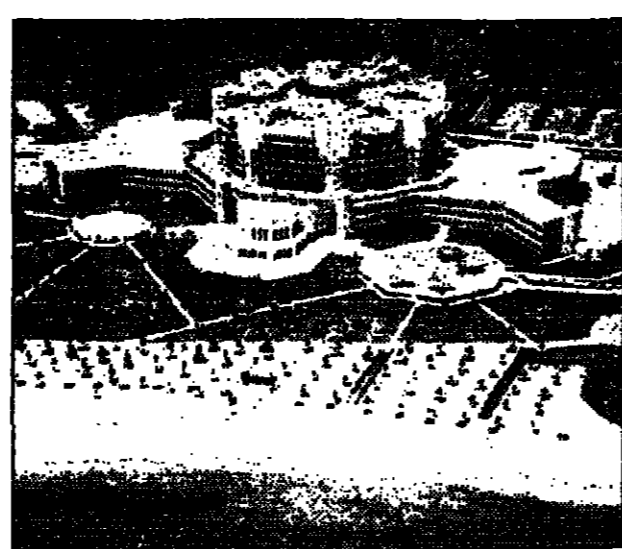
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Tourists visit an old fort in Oman (left), and the Al Bustan Palace Hotel (right).



Ancient Sites and Modern Hotels

THE development of Oman's tourist industry has been as gradual and as carefully orchestrated as any part of the country's socioeconomic renaissance. The result is a delightfully unique mixture of the ancient and the ultra-modern. Great pains have been taken to ensure that Oman's rich cultural heritage suffers minimum damage. From the moment the visitor is first set down at the impressive international Seeb Airport, Muscat, the high quality of life in Oman is evident. The buildings are well designed and efficiently run.

tourists. Its lush vegetation reflects a completely different climate influenced by the monsoon. About halfway down the coast to Salalah is the Sur Beach Resort Motel. Inland, in a delightful and historic town, the Nizwa Al Falaj Motel provides an oasis of peace and welcome. In the north, the Sobar Motel is an especially pleasant stopping place. But the sultanate of Oman offers more than just good hotels. This is a land of rich contrasts. Stark mountain ranges, the ever changing patterns of desert sands and the lush greenery of the wadis of the interior vie with ancient cities and historic buildings. There are miles of unspoiled beaches, clear blue seas, a myriad of tropical fish and fascinating fishing villages. Oman is a land of legend, and claims to have been the home of the Queen of Sheba and Sinbad the Sailor. For centuries, the celebrated frankincense of the Salalah area was carried to Rome and beyond.

tercontinental Group, is a modern palace built to house the heads of the GCC states in royal splendor. Mr. Pannen considers tourism in the sultanate of Oman to be progressing well. During 1987 he welcomed groups from Germany, Austria and Switzerland, who spent some 5,000 room-nights in the hotel. In 1988-89 he expects this figure to more than double. He credits this increase jointly to the efforts of the hotels and the publicity undertaken by the Ministry of Commerce and Industry. The possibility of a new 72-hour visa would, he feels, encourage expatriates living in other Gulf states to join the increasing flow of tourists from neighboring countries.

ment bookings await confirmation. He considers that a tourism-development blueprint is needed to more clearly define the objectives of the hotel industry. Mr. Tolly Papayannis of the Al Falaj Hotel says that in 1987 the international financial crisis resulted in fewer guests, despite Oman's own healthy financial condition. There has been an improvement in the second half of 1988, but business is still down. For 1989 he predicts steady growth in the number of visitors from the Gulf, Europe, the United States and Japan. "Oman's hotels set the highest standard in the Gulf," says Mr. Papayannis, "but the best tourist venue is the hotel that does the most for the tourist. This is not always the biggest or the most expensive."

Agriculture Policy: Stem Rural Exodus

THIS has been a significant year for the development of agricultural resources. Sultan Qaboos bin Said made an important policy decision when he declared 1988 "Agriculture Year." A number of new irrigation and livestock breeding projects have been started in a bid to make the sultanate more self-sufficient in agriculture. The renewed emphasis on agriculture is also an attempt to stem the exodus from rural areas to the new, expanding urban centers. Until the discovery of oil in 1967, Oman's subsistence economy was almost entirely based on agriculture and fishing. The subsequent changes were quicker and in some ways more abrupt than those in other Arabian countries. As a result, many of the 1.5 million people living in the rural areas left their villages to seek work in the towns. This led to a sharp decline in agricultural production and a waste of resources due to inefficient husbandry.

ports be reduced, but a considerable export potential realized. "It is very difficult to get the farmers to adapt to new methods for irrigation, like water sprinklers," says Mr. Saud bin Salim Al Harthy of the Agriculture and Fisheries bank. "They are very skeptical." By the end of this year, 2,500 government research and experimental farms will have been created throughout the country. A major new project calls for 300 model livestock breeding farms, which will eventually help boost goat-meat production. There are some 700,000 goats, 200,000 sheep, 140,000 head of cattle, 79,000 camels and 24,000 donkeys in Oman. Dr. Khamfar bin Abdulla of the Ministry of Agriculture and Fisheries says: "The new farm centers are bound to yield better returns. We want them to serve as models for other farms." The government also hopes to increase beef and veal production to reduce

the heavy burden of imports, which amounts to about 75 percent of total needs. As well as encouraging production, the government has created the Public Authority for the Marketing of Agricultural Products (PAMAP) to form better links between farmers and traders. PAMAP also helps show farmers how to package their produce and improve quality control. In addition, PAMAP promotes the sale of Omani products overseas and sponsors seminars and exhibitions. This year the 19th Near East regional Food and Agriculture Organization conference was held in Oman. Next week, beginning November 24, Oman will stage an international agriculture and fisheries exhibition which will highlight the country's own food and food processing services. Last year more than 15,000 visitors attended a similar event.

Bankers Expect Increased Profits

WITH a currency pegged to the U.S. dollar and in the face of rising import costs, the Oman government's firm action in postponing development projects has dramatically reduced the 1987 budget deficit to RO149 million (around \$300 million), down from RO 700 million in 1986. The postponements have resulted in reductions in construction material sales and a sharp fall in expatriate labor, reducing purchasing levels. With bank assets down 4 percent in 1987, both the national and foreign banks are making every effort to stave off a second year of diminished profits. Oman, fortunate to have completed much of its infrastructure prior to the downturn in the international oil market, is now in a good position to reap benefits.

"In the boom periods profits were unreasonably high due to the general level of activity. They now seem far more realistic. Banks are now facing a combination of reduced lending opportunities and increased exposure on bad loans." He views the coming stock exchange as an excellent development, which will help put realistic values on local companies. Initially, he says, the exchange will not be patterned on European and American markets, which handle vast numbers of quoted companies. Licensed banks, insurance companies and of course Ominvest itself may well handle underwriting functions. Government and private bonds may be traded, and new instruments such as convertible bonds are to be expected.

Services system is proving popular and successful. This is an expanded cash management system using a computer network to assist in all banking and financial transactions, including account positions and up-to-the-minute stock market reports. Oman National Insurance Company (ONIC), the leading national insurer, whose associate company Capital Leasing L.L.C. operates a wide range of alternative capital schemes for commerce and industry, has announced its intention to form a holding company. This move would develop investment interests and include the existing insurance company and a new life insurance company as well as Capital Leasing L.L.C.

Mr. R.C. Allenby, area manager for the British Bank of the Middle East (BBME), says, "We anticipate an improved profit position for 1988, coming mainly from the bank's historical relationship with traders rather than contractors." As for possible bank mergers, he considers size to be less important than the quality of assets and liability management. The growth of secondary finance, he says, is demand-driven by the basic need for financing during a time of recession. This natural widening of the financial base is controllable by the Central Bank regulation process. He expects a gradual development of the stock exchange, with no mad rush by corporate entities to recognize the exchange as a source of development funds.

OMAN NATIONAL INSURANCE COMPANY (SAO) 10th Anniversary Milestone Oman's principal insurance company with total assets over US\$50,000,000 and over 50% of the local insurance market. On the occasion of our 10th Anniversary we record our gratitude to H.M. Sultan Qaboos bin Said and thank the following for their continued support. Fund Managers: OMINVEST, Muscat; James Capel & Co., London; Joh Berenberg, Gossler & Co., Hamburg; Credit Suisse, Zurich. Reinsurers: Storebrand International Insurance Co., Oslo; Schweiz Insurance Co., Zurich; Victory Reinsurance Co. Ltd., England. International Brokers: E W Payne Ltd., London. P.O. Box 5254, Ruwi, Sultanate of Oman. Tel: 795020 (6 lines) Telex: 3111 ONIC ON

VISITING OMAN FOR BUSINESS OR TOURISM PURPOSES? YOUR FIRST CHOICE: AL FALAJ HOTEL 5 Star Facilities 10 Suites, 150 Rooms French, Chinese, Japanese, Swiss, German, Italian, Greek, Oriental, Iranian, Morocco, Indian Cuisine. Swimming pools, Health Clubs, Tennis, Squash, Private Beach. We arrange your entry visas (Business or Tourism) Box 5031, Ruwi, Oman Tel: 702311, Telex 3229, Fax: 795853

COME TO OMAN COME TO SHERATON Oman Sheraton Hotel The hospitality people of OMAN P.O. Box 6260 Ruwi Muscat, Sultanate of Oman Tel. 799899 Tlx. 3353 SHERATON ON Fax 795701

IT'S BY MAKING THE MOST OF THE NIGHT THAT YOU CAN MAKE THE MOST OF YOUR DAY. We all know the effect lost sleep, added to jet lag, can have on the day's business ahead. On Gulf Air, however, you have the option of travelling by night without losing any sleep. We installed sleeper seats in our First class section that can accommodate you in true luxury and comfort. So you'll be fresh and rested when you wake up, and fighting fit for your next day's work. GULFAIR A TRULY CIVILISED WAY TO FLY. SHARJAH · SANAA · SALALAH · RIYADH · RAS AL KHAIMAH · PARIS · NAIROBI · MUSCAT · MANILA · LONDON · LARNACA

SCIENCE

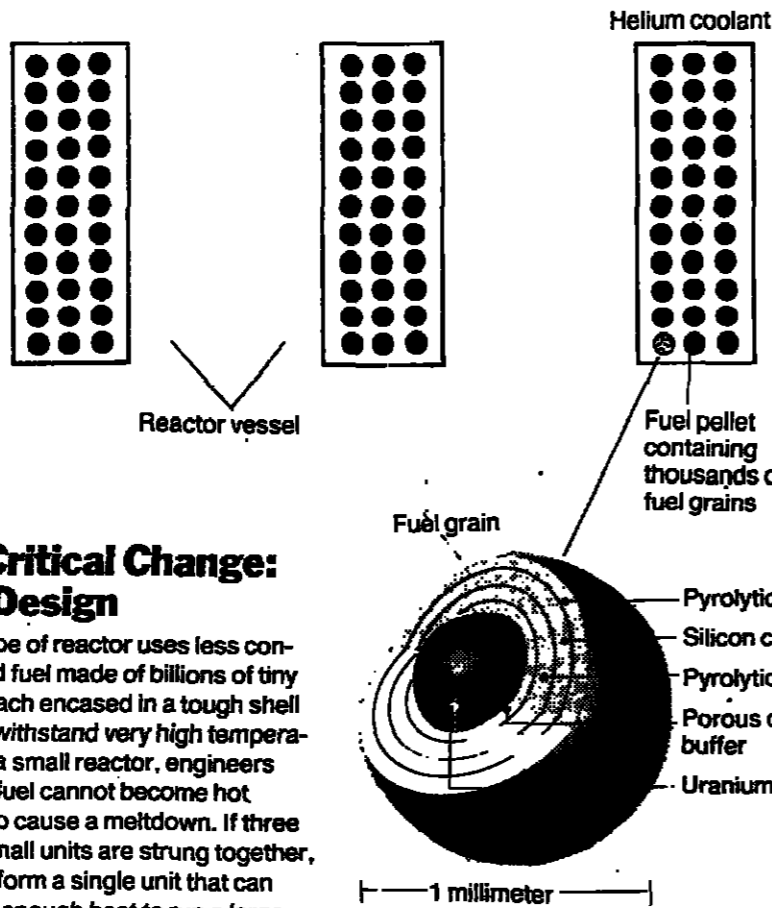
Now, a 'Meltdown-Proof' Reactor

By William J. Broad
NEW type of nuclear reactor, designed to be immune to meltdown, is being seen by experts as a safer alternative to conventional reactors...

The Critical Change: Fuel Design

A new type of reactor uses less concentrated fuel made of billions of tiny grains, each encased in a tough shell that can withstand very high temperatures...

Top fuel temperature: 3,000°
Fuel casing failure point: 3,300°



The New York Times, source: General Atomics

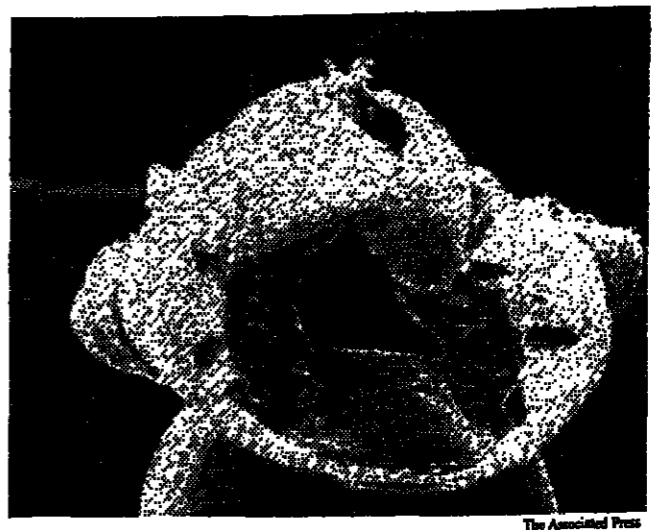
penetration of safety systems have forced utilities to build large plants that can produce more electricity and thus more revenue.

Yet all the precautions are sometimes insufficient, as shown by the 1979 accident at the Three Mile Island reactor in Pennsylvania. In that accident a partial meltdown occurred and some radioactive gas was released into the environment.

The main attraction of the modular, high-temperature, gas-cooled reactor is that it is far less sensitive to changes in fuel temperatures than the conventional reactors.

Oldest Insect In the World?

This fossil, which has been magnified 160 times, was found in Quebec and has been identified as part of the oldest known insect, a distant relative of the silverfish that lived more than 390 million years ago.



The Associated Press

For Sale: Engineered Mice

THE Du Pont Co. has announced that it will begin selling genetically engineered mice early next year, a move that for the first time will bring to the commercial marketplace higher life forms manipulated by the tools of biotechnology.

"Saying that an animal that is genetically engineered can be patented and sold is the official endorsement that animals are human creations, that they are simply commodities, and are not ours in trust," said Michael Fox, vice president for bioethics for the Humane Society of America.

Depression-Addiction Links Studied

RESEARCH suggests that many Americans, conceivably more than a million in all, are abusing alcohol or drugs primarily because they are suffering from serious underlying depression or anxiety.

The research is aimed at defining that subgroup of drug and alcohol abusers and at giving such patients treatment that will help their psychiatric problems and their drug abuse at the same time.

In the research, carefully chosen patients are given imipramine, a widely used anti-depression drug. The objective is to see if the medication helps reduce the patients' addictions to drugs or alcohol.

While many skeptics remain cool to nuclear power, calling it inherently dangerous, growing ranks of scientists, U.S. officials and even environmental groups are re-examining nuclear power to see whether it might be more environmentally benign than fossil-fuel power plants.

The high-temperature, gas-cooled reactor is considered so safe that it can withstand the simultaneous failure of the rods that control the nuclear reaction, the pumps and all cooling systems.

Since the top temperature that fuel grains can achieve in such a matrix is about 3,000 degrees, there is no way for them to melt through the protective capsules, no matter what the accident, nuclear engineers say.

Since the new fuel is less concentrated, and safer, the reactor's core would have to be quite large to achieve the same power output as conventional reactors, which typically produce about 1,100 megawatts of electricity.

Robert D. Pollard, a nuclear safety engineer with the Union of Concerned Scientists, a private group critical of the nuclear power industry, said Mr. Lidsky's statement was too sweeping, but he called the reactor "clearly safer" than the existing generation of nuclear power plants.

The greenhouse effect has changed a major parameter in the anti-nuclear equation," said John F. Abernethy, a former chairman of the U.S. Nuclear Regulatory Commission who is vice president of Resources for the Future, a Washington-based environmental group.

Another major line of defense is emergency cooling loops of water to keep the fuel core from melting. Another is a series of concrete containment vessels that surround the fuel core so that, even during a serious loss-of-coolant accident, no radioactivity will escape.

Since the new fuel is less concentrated, and safer, the reactor's core would have to be quite large to achieve the same power output as conventional reactors, which typically produce about 1,100 megawatts of electricity.

Table: NYSE Most Actives. Columns: Vol., High, Low, Last, Chg. Lists top 10 active stocks like RJR Nabisco, Intel, and General Electric.

Table: Market Sales. Columns: NYSE 4 a.m. volume, NYSE prev. close, Amex 4 a.m. volume, etc.

Table: NYSE Index. Columns: Composite, Industrials, Transp., Utilities, Finance. Shows index values and changes.

Table: AMEX Diary. Columns: Advance, Decline, Unchanged, Total Issues, New Issues.

Table: NASDAQ Index. Columns: Composite, Industrials, Finance, Insurance, Utilities, Transp.

Table: AMEX Most Actives. Columns: Vol., High, Low, Last, Chg. Lists active stocks like Echelon, Amgen, and Genzyme.

Table: Dow Jones Bond Averages. Columns: Bonds, Utilities, Industrials. Shows average yields and prices.

Table: NYSE Diary. Columns: Advance, Decline, Unchanged, Total Issues, New Issues.

Table: Odd-Lot Trading in N.Y. Columns: Buy, Sell, *1987. Shows trading volume for odd lots.

Table: Dow Jones Averages. Columns: Industrials, Utilities, Transp., Finance, SP 500, SP 100.

Table: Standard & Poor's Index. Columns: Industrials, Utilities, Finance, Insurance, SP 500, SP 100.

Table: NASDAQ Diary. Columns: Advance, Decline, Unchanged, Total Issues.

Table: AMEX Stock Index. Columns: High, Low, Close, Chg. Shows index values and changes.

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere.

NYSE Slides After Trade News

Main table of stock prices for NYSE, including columns for 12-month high/low, Div., Yld., PE, and Close. Lists various stocks like AAR, ABB, ABBN, etc.

United Press International

NEW YORK — Stock prices plunged on the New York Stock Exchange in moderate trading Wednesday, as the market's concerns about the economy were unassuaged by the report of a narrowing in the U.S. trade deficit in September.

Drinking water...

is safer with Ametek's filter housings and replacement cartridges that remove toxic chemicals and other impurities. For current reports, write AMETEK, Paoli, Pennsylvania 19301.

Drinking water...

is safer with Ametek's filter housings and replacement cartridges that remove toxic chemicals and other impurities. For current reports, write AMETEK, Paoli, Pennsylvania 19301.

Advertisement for AMETEK water filters, featuring an image of a filter housing and text describing its benefits for drinking water safety.

دكانات الاصل

INTERNATIONAL MANAGER

For Foreign Executives, U.S. Visas Harder to Get

By SHERRY BUCHANAN

NEW YORK — New U.S. regulations are making it more difficult for American multinational companies to transfer their foreign executives back to U.S. headquarters and for foreign multinationals to move their executives to their subsidiaries in the United States.

One year after enactment of the 1987 regulations of the U.S. Immigration and Naturalization Service, a branch of the Department of Justice, the new rules have made it tougher for multinationals to prove that an employee is a manager or an executive and so eligible for an L1 visa, the temporary, intracompany transfer permit.

"In the past, as long as a person just managed a function without supervising individuals, that was enough," said Ronald Tekeley, head of immigration services for Westinghouse Electric Corp. "Now you have to prove that the person supervises and manages professionals."

Managing a function isn't enough. Now the manager must supervise other professionals.

Read All About It: Izvestia Set to Try Western Advertising

By Celestine Bohlen

NEW YORK — Starting next year, the 10.5 million readers of the Soviet government daily newspaper Izvestia will open their Tuesday papers to find a special supplement featuring Western advertisements for Western goods.

'You could figure that a lot of American corporations would be interested in what we have to offer.'

Alexander Shalnev, New York bureau chief for Izvestia.

can corporations would be interested in what we have to offer," he said. Demand was so great that copies of the first letter, which begins "Dear Business Friends,"

ran out at a meeting this week, and more had to be made on the spot, he added.

For Izvestia, the advertisements will help in the transition to "self-accounting," the new Soviet economic principle that makes state-owned enterprises self-supporting.

The newspaper, which ranks after the Communist Party newspaper Pravda as must reading for Soviet officials, is also looking for hard currency, Mr. Shalnev said, to modernize its equipment.

According to Mr. Shalnev, Izvestia will be allowed to keep 70 percent of its profit from the supplement. The remainder will go to the government.

One-quarter of the new supplement will be reserved for advertising by Soviet ministries, enterprises and stores, he added.

offered by Izvestia — \$50,000 a page — are drastically lower than those offered by U.S. newspapers.

But comparisons between U.S. and Soviet newspapers are specious. No U.S. newspaper has any claim to the kind of circulation that Izvestia has, although U.S. newspapers have a higher proportion of disposable income and wider range of choice of goods.

The Wall Street Journal, with a circulation of 1.6 million, charges \$109,000 for a full-page advertisement, while USA Today, with 1.3 million readers, charges \$38,178 for a one-page black-and-white advertisement.

The industry measure, calculated in cost per thousand readers, is \$55.70 at The Wall Street Journal, and \$28.83 at USA Today. The Izvestia rate would equal \$4.76.

ed Mice

that an animal that is genetically patented and sold is the official animals are human creations, mutants, and are not even in the vicinity of America.

Links Study

or cocaine for relief. The cocaine may help for a while, but neither alcohol nor cocaine are effective against the problems of depression.

Operating Rate Up In U.S.

Operating Rate Up In U.S.

Inflation May Be Building Pressure

WASHINGTON — In a sign that the robust U.S. economy may be approaching an inflationary level of growth, the Federal Reserve Board reported Wednesday that the industrial operating rate in October rose to its highest level in more than eight years.

The central bank said that U.S. factories, mines and utilities operated at 84 percent of their capacity last month, up 0.2 percentage point from the revised September rate and the highest level since February 1980. The Fed previously reported the September rate at 83.6 percent.

At Last, GM Starts to Accelerate

Cost-Cutting Bears Fruit, and New Models Are Coming

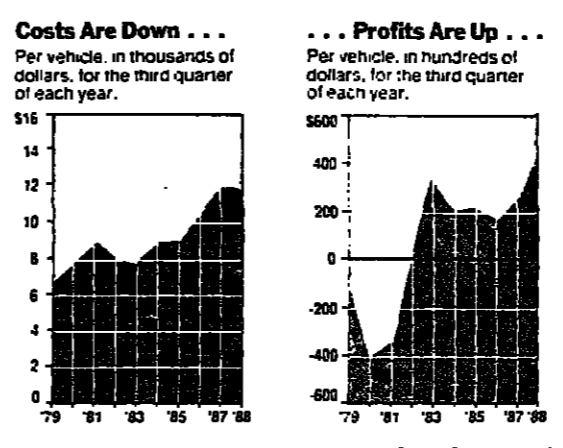
By John Holusha

DETROIT — When General Motors Corp. reported in late October that third-quarter earnings were 51.4 percent higher than in the adjusted quarter a year earlier, the first reaction of many people was a question: Had GM, after years of sliding sales, internal turmoil, and lackluster products, finally turned the corner?

The answer appears to be a qualified yes. Although car sales are still weak, sales in the increasingly important light-truck market have been strong all year.

An Upturn Begins at G.M.

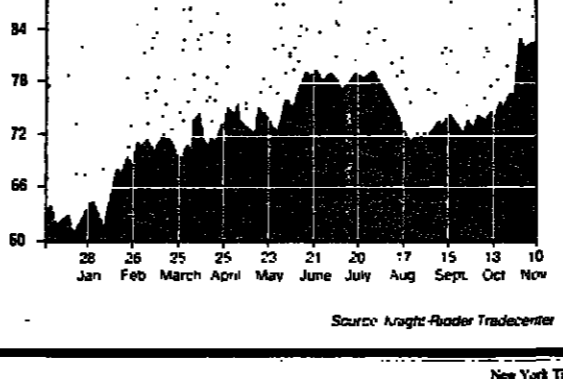
After years of troubles, the General Motors Corporation reported third-quarter earnings this year that were much higher than analysts had expected.



Source: Company reports

And the Market Reacts Favorably

Daily close on the New York Stock Exchange since Jan. 1.



Source: Knight-Ridder/Trafficstar

GEC, Siemens Bid for Plessey

By Warren Getler

LONDON — General Electric Co. of Britain and Siemens AG of West Germany said Wednesday that they were making a joint, unsolicited cash offer for Plessey Co., a major British telecommunications and electronics group.

If successful, the takeover would create a major European-based telecommunications giant to compete with North American, Japanese and Scandinavian companies.

Carl Heinz Kaske, chairman of Siemens, said Wednesday at a news conference in London that GEC and Siemens would gain strength by joining forces.

Currency Rates

Table showing currency rates for various international locations including Amsterdam, London, Paris, and Zurich, with columns for current and previous rates.

Other Dollar Values

Table showing values for various currencies such as Australian dollar, Canadian dollar, Hong Kong dollar, etc., with columns for currency type and value.

Interest Rates

Table showing interest rates for various currencies and terms, including forward rates and discount rates.

Key Money Rates

Table showing key money rates for various locations like London, Frankfurt, and Zurich.

Asian Dollar Deposits

Table showing Asian dollar deposits for Hong Kong, London, Zurich, and Tokyo.

U.S. Money Market Funds

Table showing U.S. money market funds including Merrill Lynch Ready Assets and Talcott Interest Rate Index.

Gold

Table showing gold prices in various locations like Hong Kong, London, Zurich, and Tokyo.

Greenspan Says Deficit Is Gnawing at Economy

WASHINGTON — Alan Greenspan, chairman of the Federal Reserve Board, on Wednesday urged Congress and the White House to cut the huge U.S. budget deficit, which he said was slowly destroying the American economy.

"Such large and persistent deficits are slowly but inexorably damaging the economy," Mr. Greenspan told the National Economic Commission, a bipartisan panel charged with recommending ways to reduce the federal deficit.

President-elect George Bush has suggested reducing the budget deficit by freezing spending at current levels after allowing for inflation, and by encouraging economic growth, which would increase tax revenues.

Reaching More Than a Third of a Million Readers in 164 Countries Around the World.

Advertisement for CORUM watches, featuring a large image of a watch and text describing the brand's reputation for precision and design.

Wednesday's NYSE Closing

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trading elsewhere.

Table of NYSE closing prices for various stocks, including columns for High, Low, and Change.

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Advertisement for Institutional Investor magazine. Text includes: 'RETURN ON INSTITUTIONAL INVESTOR'S INVESTMENT MATCH PROGRAM: HIGH YIELD', 'Since its beginning more than 20 years ago, advertising in Institutional Investor has always been a sound investment...', and 'In 1989, it will introduce its new INVESTMENT MATCH PROGRAM. Advertisers who take advantage of this program will be able to reach Institutional Investor's universe of 544,000 readers...'.

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Portugal Creates Panel On Market Deregulation

LISBON — Portugal set up a national board on Tuesday to look into deregulating its stock markets and named the president of the Oporto exchange as its chairman. The Finance Ministry said that João Veiga Anjos would act as president of both the Oporto and Lisbon stock exchanges for six months. The president of the Lisbon market, Alvaro Damazo, resigned recently after barely a year on the job to take up a regional government post in the Azores. Mr. Veiga Anjos is a respected entrepreneur from the industrial north who has promoted the Oporto market, which has about 110 quoted companies to Lisbon's 150. The statement said Mr. Veiga Anjos would head a commission that would look at "legislative measures that would allow privatization of the markets and continually changing prices." The stock markets are heavily regulated. Only one price is given each day after all the buyers and sellers are matched up. The board would also study ways of coordinating trading on the Lisbon and Oporto markets. The measures were expected to come into effect in the first half of 1989, it added. Lisbon's Banco Totta e Acores index closed on Tuesday at 2,538.8. It had touched a yearly low of 2,148.0 on Oct. 21. The index was over 6,900 before the October 1987 collapse.

دکتر امین الاحمد

BUSINESS ROUNDUP

Forstmann, Little Will Not Bid for RJR Nabisco

NEW YORK — An investment group led by Forstmann, Little & Co. has scrapped a plan to enter the high-stakes bidding for RJR Nabisco Inc. it said Wednesday...

Most Macmillan Executives To Remain Under Maxwell

NEW YORK — Twenty-six of Macmillan Inc.'s 31 senior executives have agreed to remain with the company after its acquisition by Maxwell Communication Corp. earlier this month...

Sony Profit Surges 118%, Aided by Japanese Growth

TOKYO — Sony Corp., the consumer electronics giant, said current profit in the six months ended Sept. 30 rose 118 percent, to 31.25 billion yen (\$252.7 million)...

Britain Sets Revisions of Broker Rules

LONDON — British authorities announced measures Wednesday designed to soothe the hostility of its financial services industry to the regulatory regime imposed in April...

Austria Begins Privatization Of State Electricity Concern

VIENNA — The Austrian government began an important test of its privatization program Wednesday with the announcement of details on the sale of its electricity supply company, Osterreichische Elektrizitätswirtschafts AG...

Thomson-CSF and Lucas to End Venture

PARIS — Thomson-CSF, the French electronics and armaments company, and Lucas Industries PLC, the British aerospace and car parts concern, said Wednesday that they would terminate their joint venture, begun in 1973...

China Steelmaker Buys Idled Works in France

TOULON, France — The Beijing-based steelmaker Lian Yuan Steel & Iron Co. has purchased an idle steelworks near this Mediterranean port that it plans to dismantle and rebuild in China...

Texaco Is Selling Off More Reserves Company Aims to Concentrate on Most Profitable Assets

HARRISON, New York — Texaco Inc. will sell 160 million barrels of oil and gas reserves, almost three times the amount it initially planned as part of a continuing program to concentrate on its most profitable assets, the company said...



'We have been in the business equivalent of a war.'

Exchange Rates Limit C&W to a 20% Profit Rise

LONDON — Cable & Wireless PLC, the British telecommunications company with large holdings in Asia, said Wednesday that pretax profit in the first half of its financial year rose 20 percent...

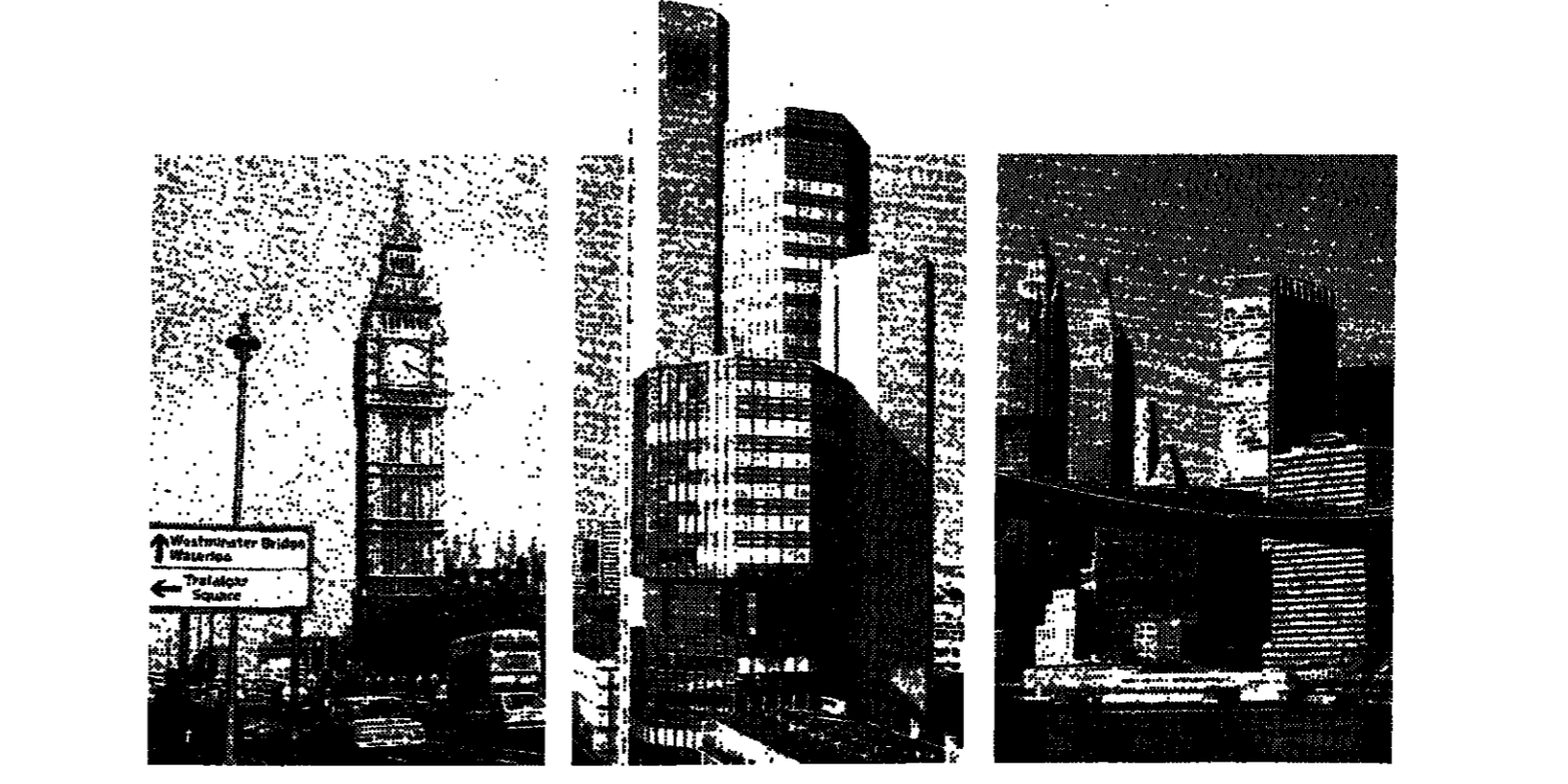
PLESSEY: Hostile Bid Launched

Telecommunications Holdings Ltd., or GPT, said it would sell 60 million barrels. About 40 million barrels has already been sold, Mr. Dunlap said...

VISAS: Transfers to U.S. Tougher

American Immigration Lawyers' Association said, "An individual who heads the small U.S. operation of a large foreign employer may be a manager or executive, even though the U.S. operation has only three or four employees."

Quality banking at home and abroad: Helaba Frankfurt



Helaba Frankfurt serves both domestic and international clients.

Headquartered in Germany's financial capital, Helaba Frankfurt is a government-backed universal bank ranking among Germany's foremost financial institutions with total assets exceeding DM 71.5 billion.

Concentrating on wholesale banking, especially in the medium to long-term sector, Helaba Frankfurt tailors its comprehensive services for large corporations, central banks, government entities, and other financial institutions.

Helaba Frankfurt is at home in key international markets, operating for example full service branches in London and New York as well as a Luxembourg subsidiary specializing in Euromarket transactions and private banking.

Helaba Frankfurt Hessische Landesbank - Girozentrale

Head Office: Jungfernstieg 18 - D-6000 Frankfurt/Main - Telephone (069) 132-01 - Telex 415291-D New York Branch: 499, Park Avenue - New York - New York 10022 - Telephone (212) 371-2500 - Telex 234-626

And Mice

an animal that is genetically identical and sold in the official trials are human creations, that the mice, and are not ours in terms of America. "But in a professional human ingenuity?"

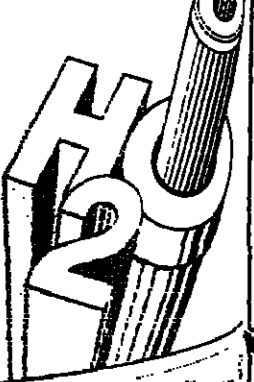
Inks Studies

or cocaine for relief. The medication may help for a short time. But neither alcohol nor cocaine is effective against the underlying problems of depression or addiction. As a result, the habit may be long enough, it takes on a life of its own, he said.

Table with columns: AMEX Most Active, Vol, High, Low, Last, Chg. Lists various stocks like Amgen, Amstar, Amstar, etc.

Drinking water... is safer with Ametek's filter housings and replacement cartridges that remove toxic chemicals and other impurities.

AMETEK



For current reports visit our website at www.ametek.com

Wednesday's NYSE Closing

Tables include the nationwide prices and do not reflect late trades elsewhere.

12 Month High Low Stock Div. Yld. PE 52-Week High Low

Table of NYSE stock prices including columns for stock names, dividends, yields, P/E ratios, and 52-week high/low prices.

Table of NYSE stock prices (Continued) with columns for stock names, dividends, yields, P/E ratios, and 52-week high/low prices.

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Table of NYSE stock prices (Continued) with columns for stock names, dividends, yields, P/E ratios, and 52-week high/low prices.

Table of U.S. Futures prices including columns for contract names, prices, and changes.

Table of U.S. Futures prices (Continued) including columns for contract names, prices, and changes.

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NYSE Highs-Lows

Table of NYSE Highs-Lows with columns for stock names, high prices, and low prices.

AMEX Highs-Lows

Table of AMEX Highs-Lows with columns for stock names, high prices, and low prices.

Currency Options

Table of Currency Options with columns for currency pairs, prices, and changes.

Financial

Table of Financial data including Treasury bills, Treasury notes, and Treasury bonds.

Stock Indexes

Table of Stock Indexes including S&P 500, Dow Jones, and other market indices.

Commodity Indexes

Table of Commodity Indexes including various commodity price indices.



A luxurious, useful gift for executives on the move. The desk diary that picks up and goes with you.

Half your life's story—or even more—is inscribed on the pages of your desk diary. Yet when you travel or go to meetings, most desk diaries are too cumbersome to take along.

Form for ordering the desk diary, including fields for name, address, and payment information.

London Metals

Table of London Metals prices including aluminum, copper, and zinc.

S&P 100 Index Options

Table of S&P 100 Index Options with columns for contract names, prices, and changes.

U.S. Treasuries

Table of U.S. Treasuries including various government securities.

Paris Commodities

Table of Paris Commodities including sugar, coffee, and cocoa.

London Commodities

Table of London Commodities including various commodity prices.

DM Futures Options

Table of DM Futures Options with columns for contract names, prices, and changes.

Dividends

Table of Dividends listing companies and their dividend payments.

Company Results

Table of Company Results showing revenue and profit for various companies.

United States

Table of United States company results including Alcoa and MVA.

Source: AP, Reuters, Dow Jones, and other financial data sources.

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Printed in the United States of America.

سكزامن الامل

GM: Cost-Cutting and Higher Prices Bear Fruit, and New Models Are Coming

(Continued from first finance page) executives said the car's real value to the company was as a demonstration of superior technology.

A key to the surprising third-quarter results was improved cost control, said Ronald Glantz, an analyst at Montgomery Securities Inc.

Some analysts have noted that GM's third quarter benefited from a lack of heavy start-up expenses usually associated with new models.

There are also suggestions that GM packed a lot of good news in one quarter by building vehicles at a faster rate than the market can absorb.

In addition, some of GM's multi-billion-dollar investment in new plants and equipment appears to be paying off.

Analysts are divided over whether the improved cost situation was permanent.

GM contends that the improved performance is largely the result of an extensive cost-cutting effort that has eliminated almost 40,000 white-collar jobs since early 1987.

He predicted the automaker would earn \$12.50 a share this year and said a "lean and mean" GM is poised to go higher in subsequent years.

Chip Downturn Not Seen in Kyocera Trend

TOKYO—Kyocera Corp. said Wednesday that its net profit for financial 1988-89 would be lower than it had previously forecast.

Some officials in the U.S. chip industry have expressed concern that growth would slow next year. Some also are worried that Japan's chip makers, which plan hefty increases in capital spending this year, might create excess capacity.

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INTERNATIONAL FUNDS

Table with multiple columns listing various international funds, their assets, and performance metrics. Includes sub-sections for 'Other Funds' and 'RECENTLY ISSUED'.

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT
Washington, D.C.
U.S. \$ 300,000,000
3/4% Notes of 1988, due 1998

CAMEL
Discover the world's most satisfying cigarette.
Image of a man in a suit and a pack of Camel cigarettes.

AS - Australian Dollars; BF - Belgium Francs; CS - Canadian Dollars; DM - Deutsch Mark; ECU - European Currency Unit; FF - French Francs; FL - Dutch Florin; LIT - Italian Lira; L.F. - Luxembourg Franc; NZ\$ - New Zealand Dollar; P.T. - Portugal Escudo; SF - Swiss Francs; S.F. - Spanish Pesetas; S.D. - South African Rand; S.M. - Singapore Dollar; S.S. - Sri Lanka Rupee; S.T. - Swedish Krona; S.Y. - Syrian Pound; T.S. - Taiwan Dollar; T.W. - New Taiwan Dollar; T.Y. - Turkish Lira; U.S. - U.S. Dollar; W.M. - West German Mark; Y.P. - Yugoslav Dinar; Z.W. - Zimbabwe Dollar.

Wednesday's AMEX Closing

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere.
Via The Associated Press

12 Month	High	Low	Stg.	Div.	Yld. PE	100	500	1000	2000	Close	Chg.
3M	110	105	108	1.20	11.5	100	100	100	100	108	+2
6M	115	110	113	1.40	11.5	100	100	100	100	113	+3
9M	120	115	118	1.60	11.5	100	100	100	100	118	+3
12M	125	120	123	1.80	11.5	100	100	100	100	123	+3

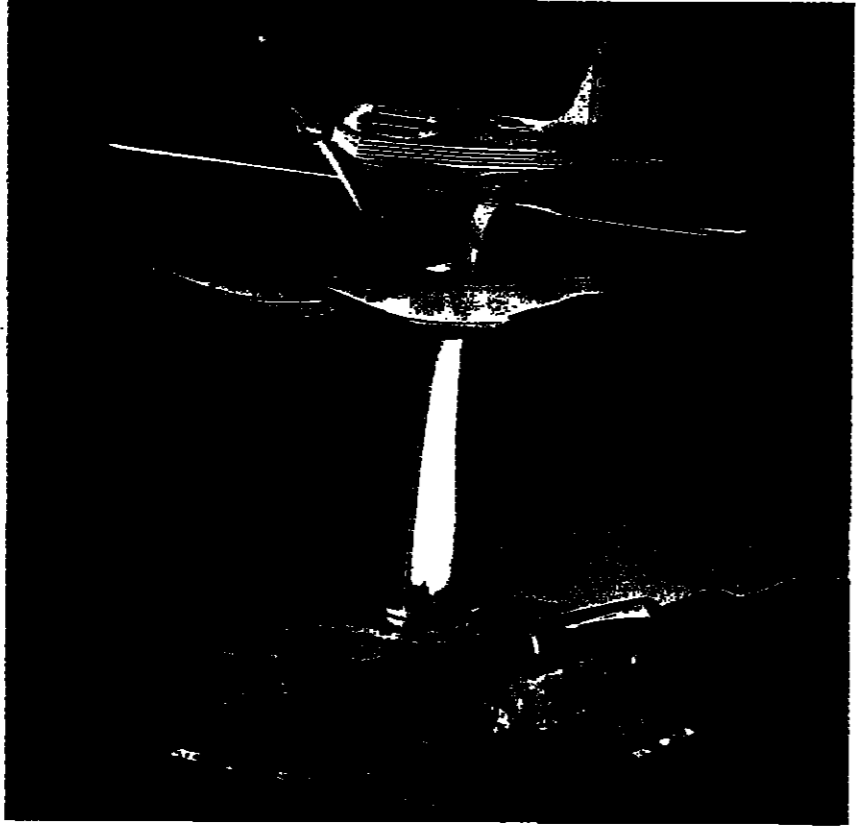
Symbol	Price	Change
AMC	11.25	+
AMP	26.75	+
AMT	108.00	+
AMR	10.00	+
AN	13.25	+
ANB	33.25	+
ANF	32.00	+
AO	12.25	+
AOL	18.00	+
AQ	15.25	+
AQI	15.25	+
AQJ	15.25	+
AQR	15.25	+
AQS	15.25	+
AQT	15.25	+
AQU	15.25	+
AV	15.25	+
AW	15.25	+
AWA	15.25	+
AWB	15.25	+
AWC	15.25	+
AWD	15.25	+
AWJ	15.25	+
AWK	15.25	+
AWL	15.25	+
AWM	15.25	+
AWN	15.25	+
AWO	15.25	+
AWP	15.25	+
AWQ	15.25	+
AWR	15.25	+
AWS	15.25	+
AWT	15.25	+
AWU	15.25	+
AWV	15.25	+
AWW	15.25	+
AWX	15.25	+
AWY	15.25	+
AWZ	15.25	+

Floating-Rate Notes

Nov. 16

Issuer/Mat.	Current Yield	Bid	Asked
Citibank 6/30	8.00	97.72	97.82
Chase 6/30	7.875	97.72	97.82
First 6/30	8.00	97.72	97.82
Wells Fargo 6/30	8.00	97.72	97.82

Issuer/Mat.	Current Yield	Bid	Asked
IBM 7/1	11.5	108.00	108.00
Microsoft 7/1	13.0	120.00	120.00
Intel 7/1	11.0	100.00	100.00



Flying may have lost the elegance of the Twenties. Writing, however has regained it.

The flying boat. The gin sling. The 18 day flight. Faded memories of a more romantic age.

The Parker Duofold was destined to remain just another, until our centenary gave us the excuse to recreate this classic.


Like its predecessor, today's Duofold Centennial has a nib that is cut from a sheet of gold, and is, as always, slit by hand.

The casing too is produced exactly as it was in the Twenties, by machining from a solid block.

In only one respect does the Duofold Centennial depart from its forbear. Inside you will find the most advanced ink flow system ever designed.

The result is that today's Duofold can be expected never to leak. Even if you take it up in an aeroplane.

Which these days, may be the only way left to put some of the glamour back into flying.



PARKER

We are pleased to announce that effective January 1, 1989:

EDWARD J. SAWICZ
will become Chairman of the Board, succeeding Ralph F. Peters who is retiring.

JAMES P. COUGHLIN
will become President succeeding Mr. Sawicz.

Mr. Peters will continue to serve as a Director and has been elected Chairman of the Executive Committee.

DCNY CORP.
DISCOUNT CORPORATION
OF NEW YORK
58 Pine Street, New York, N.Y. 10005

Issuer/Mat.	Current Yield	Bid	Asked
Deutsche Mark 6/30	8.00	97.72	97.82
Japanese Yen 6/30	8.00	97.72	97.82
Swiss Franc 6/30	8.00	97.72	97.82

صكوات اللاد اصل

CURRENCY MARKETS

Dollar Plummets Despite Improved Trade Data

NEW YORK — The dollar took a pounding Wednesday, dropping more than three pence and one yen, despite the U.S. government report that the merchandise trade deficit had narrowed in September.

London Dollar Rates table with columns for currency and rate.

The dollar closed at 1.717 DM, down from 1.7428 DM on Tuesday, and at 122.225 yen, down from 123.25 yen. It also sank to 1.4415 Swiss francs, down from 1.462, and to 5.967 French francs, off from 6.022.

The slide in the dollar encouraged market speculation the Fed may act to raise the U.S. discount rate, now at 6.5 percent, economists said.

which allowed the dollar to drift lower without interruption. Dealers saw another excuse to sell the dollar in remarks by the Fed chairman, Alan Greenspan, to the National Economic Commission that the need to cut the budget deficit was pressing.

Mr. Greenspan said U.S. reliance on foreign investors to fund the budget deficit is neither possible nor desirable over time.

The market is extremely concerned about the deficit, said Frank Watson, a dealer with Swiss Bank Corp. "The administration has not given us a plan on how they are going to handle the deficit and that makes dealers nervous."

Dealers were split on their reaction to Wednesday's other U.S. economic data, that of a rise to 84 percent in industrial capacity use in October. In September, the figure was 83.8 percent.

Trade Gap Rise In Australia Hurts Markets

SYDNEY — Australia reported on Wednesday its weakest monthly current-account figures in two years, and the Australian dollar and stock prices fell in reaction.

The current account, which measures trade in merchandise and services, was in deficit by 1.69 billion dollars (\$1.43 billion) in October, according to the Australian Bureau of Statistics. The deficit in September was 974 million dollars. It had hit 1.7 billion in October 1986.

Debate Over the Dollar Rages On Views Differ About the Proper Level of the U.S. Currency

By Jonathan Fuerbringer New York Times Service

NEW YORK — The sharp decline of the dollar last week and the efforts by President-elect George Bush to stabilize the currency this week are the latest rounds in a long-running debate about the proper level of the dollar.

Mr. Bush seemed to say the opposite — that a weaker dollar is not a desirable goal — with his effort on Monday to calm the markets. But the president-elect spoke

only of "exchange market stability," which does not necessarily mean that the administration wants to keep the dollar at its present level.

TRADE: Markets Jittery Despite Narrower Trade Gap

(Continued from page 1) The Dow Jones industrial average said 38.59 points to close at 1,058.58. In New York, the dollar sank to 1.7170 Deutsche marks from 1.7428 DM, and to 122.225 yen from 123.25 yen. (Pages 12 and 19)

The dollar has dropped by about 8 percent against the yen and 6 percent against the mark over the past month. Its falling worth reduces the value of dollar-denominated securities, such as U.S. stocks and bonds.

He said the high import figure indicated to them that U.S. domestic demand is still too great, and they are concerned that Mr. Bush is "reluctant" to raise taxes to cut the budget deficit.

Where the U.S. Deficit Comes From

Table showing U.S. merchandise trade deficit in millions of dollars for September, August, and July across various countries like Canada, European Community, Japan, etc.

Nothing has changed because of the trade data, "but there is the feeling the Fed may put up interest rates," said Christopher Johns, a currency analyst at UBS/Phillips & Drew.

Mr. Bush seemed to say the opposite — that a weaker dollar is not a desirable goal — with his effort on Monday to calm the markets. But the president-elect spoke

only of "exchange market stability," which does not necessarily mean that the administration wants to keep the dollar at its present level.

Some economists said that if the dollar continued to decline without action by the White House and Congress to reduce the federal trade deficit, the economy would be harmed.

Wednesday's OTC Prices logo and introductory text.

Large table of OTC prices for various stocks, including columns for stock name, price, and change.

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Wednesday's AMEX Closing logo and text about market data.

BOOKS

ON BENDED KNEE: The Press and the Reagan Presidency

By Mark Hertsgaard. 408 pages. \$22.50. Farrar, Straus & Giroux, 19 Union Square West, New York, N.Y. 10003.

Reviewed by Molly Ivins

THIS book became early more apposite as the sorry 1988 presidential campaign wound up, or down. Mark Hertsgaard's conclusion is that for eight years now the Oval Office has been occupied by a public relations firm, and that the media response has been, for a variety of reasons, gutless, complacent, sycophantic or inept. You could probably get half the White House press corps to vote on that proposition, but the more interesting part of Hertsgaard's book is not the troubled witness given by conscientious journalists — it's the testimony from Michael Deaver, David Gergen, Richard Darman and Jim Baker, the men who did the manipulating. To read how they did it is chilling — because they're still doing it.

It sounds so simple: (1) plan ahead; (2) stay on the offensive; (3) control the flow of information; (4) limit reporters' access to the president; (5) talk about the issues you want to talk about; (6) speak in one voice; (7) repeat the same message many times. You recognize, of course, George Bush's entire campaign. Ronald Reagan was once asked whether he found being president difficult, and he said no, it was in fact much like his life prior to being president. As one White House aide said, "He's an actor. He's used to being produced and directed. He stands where he is supposed to and delivers his lines, he reads beautifully, he knows how to wait for the applause line." He is accustomed to taking other people's directions, to speaking other people's words.

If the politicians are the actors and we, the people, are no longer citizens with an active role, but merely the audience, who are the producers and directors? And is it the intention of the U.S. Constitution that producers, directors and scriptwriters should be running the country? Michael Deaver's dictum is "Television elects presidents," and at this point it hardly seems worth arguing. But that the show business and advertising values of television should have so infected the political process (a world in which sleaze and tackiness were not previously unknown) is making a dramatically observable difference in the national life.

There was a time when the purpose of journalism was to report the news, honestly and fairly. The problem for the network, as it has always been for competitive newspapers, is that sleaze sells. It gets better ratings. Hertsgaard writes, "The media mogul Van Gordon Sauter most closely resembled — indeed, was the television equivalent of — Rupert Murdoch, the Australian baron who had made millions by publishing abominably low-minded newspapers on three continents. . . . It was not the pursuit of circulation per se that distinguished Sauter and Murdoch from their peers, for that was the name of the game in American journalism. But because audience was their first, last and overriding concern, flaws common to most conventional American journalism — a preference for the superficial over the comprehensive, a mindless and often bellicose nationalism masquerading as patriotism, a reinforcement rather than a challenging of conventional wisdom and common prejudice, a relentless focus on today and history being damned — were magnified to grotesque proportions in their news production."

Everyone knows the press can dish it out, but it sure can't take it. The usual tirade of excuses is here: "We told the story but the people didn't want to hear it." "We're being attacked by both sides, so we must be doing something right." "Terrorism!" If the president of the United States for the last eight years has been, in the words of former defense secretary Clark Clifford, "an amiable chance," what does it say about the performance of the press that he's leaving office with one of the highest popularity ratings anyone can remember?

Hertsgaard writes, "Because news accounts generally failed to make clear the real-world implications of Reagan's inability or unwillingness to distinguish fact from fiction, they often ended up trivializing or personalizing it." The political scientist James David Barber classically observed, "Ronald Reagan is the first modern president whose contempt for the facts is treated as a charming idiosyncrasy." The journalist Jane Mayer, observing the mangled bodies of 241 dead Marines in Beirut, said, "You can't see something like that without realizing there are actual repercussions when there is chaos in Washington." It seems incredible that anyone who remembers Vietnam can forget the consequences of ignorance in office. But then, as Hertsgaard so compellingly points out, the American press is ahistorical to an extent that makes last week medieval.

Molly Ivins covers politics for the Dallas Times Herald. She wrote this for The Washington Post.

World Stock Markets

Via Agence France Presse Closing prices in local currencies, Nov. 16

Table with columns for Amsterdam, London, Paris, Frankfurt, Zurich, Tokyo, and Sydney. Lists various stock indices and their values.

Table with columns for Helsinki, Milan, Moscow, and Stockholm. Lists various stock indices and their values.

Market Closed The stock markets in Frankfurt and Sao Paulo were closed Tuesday for a holiday.

JAPAN will be featured in a special news report, prepared by the editors of the International Herald Tribune. It will appear on Monday Dec. 5. Don't miss this important issue. Herald Tribune

Large table of stock market data including indices like Nikkei 225, DAX, and various regional market reports.

BRIDGE

By Alan Truscott

IN the World Team Olympiad, which ended in Venice on Oct. 22, the Indian team of Rajesh Delal, Santana, Ghose, Avinash Kohale, Kamal Mukherjee, Debabhis Roy and Jaggy Shivdasani achieved the best performance ever by an Asian team. The team lost in the semifinal to the Americans, who eventually captured the title, but gained on the diagrammed deal. The bidding needs some explanation. One club was artificial and strong, and East-West were using the "crash" defense: one diamond showed length in the major suits or the minor suits. East tried to crowd the auction with a jump to three diamonds, knowing that he could play three spades if West held the major suits, but South tried three no-trump.

West led the diamond queen, and the South player, Jaggy Shivdasani, knew that West held the major suits. He won with the ace and cashed his five club winners, on which West gave up two hearts. Now South crossed to the diamond king and led a heart to the ten. This forced the king, and West had to give the declarer a ninth trick by leading one of the major suits. In the replay, South had no clue to the opposing distribution after he opened two no-trump and was raised to game. Ghose as West made the winning decision by leading a heart rather than a spade, and South won the queen with the ace. Not unreasonably, he tried for his ninth trick by leading to the diamond king and playing a spade to the king. But West produced the ace, and the result was down one.

Diagrammed bridge deal showing cards in North and South hands and the bidding sequence.

ACROSS

- 1 Designate
4 Dilettante form of "Falcon Crest"
8 Hidden explosive
12 A Guthrie
13 Green lint
14 Steve Cram, e.g.
15 Spirit of the sea
17 More slippery
18 Freighters' instruments
19 Geological ridges
20 Cool cat's cry
21 Avarition
22 "—de-cheuse (ground floor)
24 Mors nimble
27 Meter precoder
30 Exude
33 Miler's — the Fall
35 Whitney, to Donna
37 Pindar product
38 Measure of capacity
39 Nurses in the Orient
40 Standard
42 Beatty and Roren
43 Babbled
45 Prince Valiant's son
47 Make new again
50 Pad precoder
53 Like some cells
56 Do stalions
58 Morning sound
59 Man in the street
60 Bustles
61 Other: Comb form
62 "—and the Swar": Yeats
63 Fencing weapon
64 A loser to Louis
65 Hero chaser

DOWN

- 11 Makes a boo-boo
12 First donor?
14 Co-Nobel in Literature: 1904
16 Ornamental stone
18 Charvance letters
22 Late bloomer
23 Cousin of John Doe
25 Major chaser
26 Willis of N.B.A. fame
27 Miscellany
28 Flaccid
29 Kind of drop form
31 "—Cane"
32 Knot-tying words
34 Els, e.g.
36 Respects
41 Toro tempter
44 Goal
46 Porter's Sweeney
48 Four-stringed instrument
49 Anent, once
50 Subway trust
51 "— la Pox
52 "—girl"
53 Top of the monk
54 Poorly proportioned
55 Miami's county
57 Salvador of art
59 Part of a boxer's arsenal

WEATHER

Table with columns for EUROPE, ASIA, NORTH AMERICA, AFRICA, LATIN AMERICA, and OCEANIA. Lists high, low, and forecast temperatures.

PEANUTS

Comic strip Peanuts featuring characters like Woodstock and Snoopy.

ANDY CAPP

Comic strip Andy Capp featuring the character Andy Capp.

WIZARD OF ID

Comic strip Wizard of Id featuring the character Wizard of Id.

JUMBLE

Word puzzle Jumble with a cartoon illustration.

BLONDIE

Comic strip Blondie featuring the character Blondie.

BEETLE BAILEY

Comic strip Beetle Bailey featuring the character Beetle Bailey.

DOONESBURY

Comic strip Doonesbury featuring the character Doonesbury.

REX MORGAN

Comic strip Rex Morgan featuring the character Rex Morgan.

CARFIELD

Comic strip Carfield featuring the character Carfield.

THE GLOBAL NEWSPAPER

Advertisement for The Global Newspaper.

Solution to Previous Puzzle

Grid with words filled in for the previous puzzle.

SPORTS

Gibson Is Named National League MVP

By Joseph Durso
NEW YORK — In a sharply contested election, Kirk Gibson of the Los Angeles Dodgers has been named the Most Valuable Player in the National League over Darryl Strawberry of the New York Mets.

It was an election that was considered wide open with perhaps four or five candidates in the running. But when the results were announced Tuesday, Gibson achieved a smashing victory as the left fielder who powered the underdog Dodgers to the top in the West. He received 13 votes for first place on the 24 ballots, cast by two senior baseball writers for each city in the league immediately after the regular season. He got six votes for second place, two for third, two for fourth and one for fifth. On a point system that awards 14 for first place, 9 for second, 8 for third and 6 for fourth, he got 272 points.

VANTAGE POINT/George Vecsey

Don't Mess With the Big Fella

NEW YORK — It's not every player who storms off the field before his first exhibition with his new team. But that's how Kirk Gibson opened his career with the Dodgers, and it is a major reason he deserved the National League's Most Valuable Player award.

Mostly, it was an election that gave the Dodgers one more dash of success after a season of remarkable success. They won the Western Division after finishing fourth the year before. They won the pennant by upsetting the Mets in seven games in the playoff. They won the World Series by upsetting the Oakland Athletics in five games.

Leonard Relinquishes Both WBC Boxing Titles

NEW YORK — Sugar Ray Leonard, who won the World Boxing Council light heavyweight and WBC supermiddleweight titles when he knocked out Donny Laonde on Nov. 7, has given up both titles.

WBC rules would not allow Leonard to hold both titles. Laonde had been the light heavyweight (175-pound) champion, and the WBC also allowed the two men to fight for the vacant supermiddleweight (168-pound) title.

The announcement of Leonard's decision came Tuesday from Steve Crosson, a WBC official, who said Laonde would probably be given the opportunity to fight for whichever of Leonard's abandoned titles he wants.

The 32-year-old Leonard wrote to Steve Crosson, the president of the WBC, on Monday, saying: "Since I don't know my present plans concerning the continuation of my boxing career, I have decided to give up both titles."

It would be unfair to those highly ranked fighters in either weight division to have to wait for the opportunity to become a WBC champion.

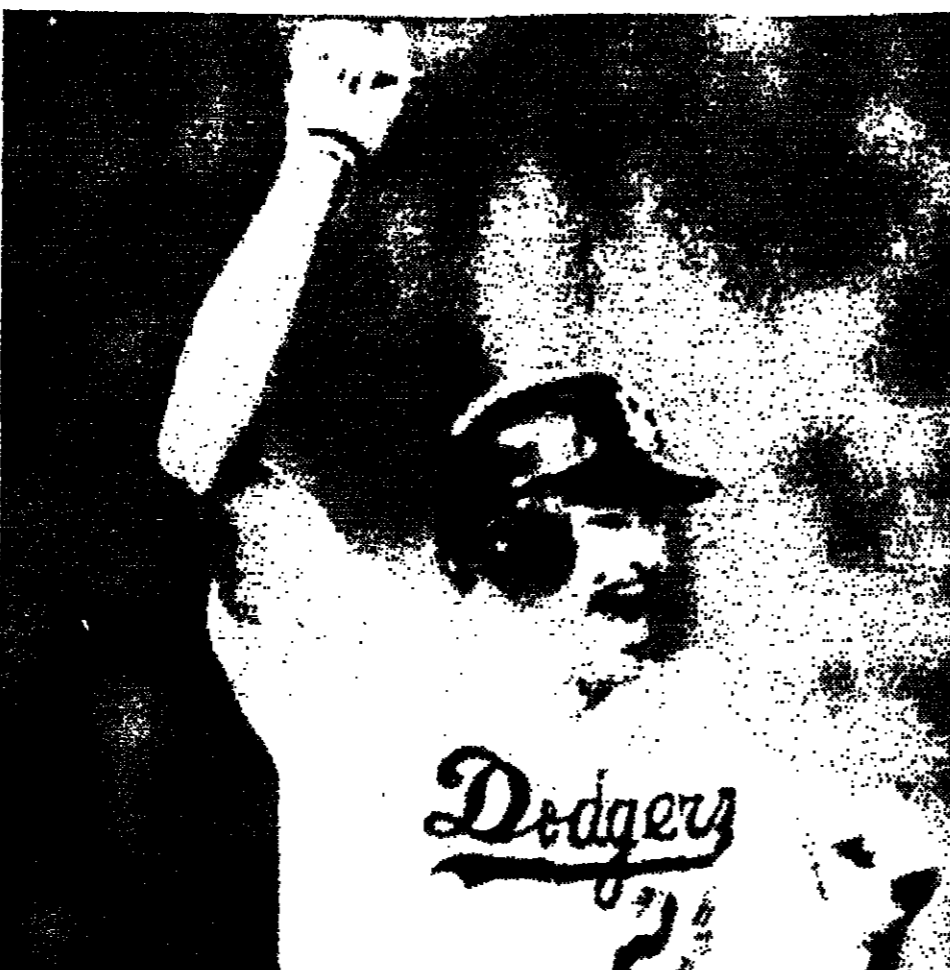
Leonard is the only man to win at least a piece of five world titles. He has come out of retirement three times.

Laonde said Tuesday that he would like a rematch with Leonard. But if he could not have one, Laonde said, he would seek to regain the WBC light heavyweight title, figuring Leonard would relinquish that one in favor of keeping the supermiddleweight title.

There has been speculation that if Leonard chooses to fight again, it might be against Thomas Hearns, the World Boxing Organization's first champion, in the supermiddleweight division.

A few days before Leonard beat Laonde convincingly, Hearns struggled to win a decision over James Kinchen for the WBO title. Hearns was in deep trouble after Kinchen knocked him down early in the match.

The consensus of boxing observers afterward was that Hearns is a fighter who now shows the wear of his boxing career and that Leonard would probably have an easy time against him.



Kirk Gibson after the ninth-inning homer that won Game 1 of the World Series for the Dodgers.

Kentucky Athletic Director Resigns

LEXINGTON, Ky. — Cliff Hagan has become the first casualty of the NCAA investigation of Kentucky's basketball program, tendering his resignation as athletic director less than a week after saying he was being used as a scapegoat in the probe.

The university attorney, Joseph Burch, was named acting athletic director, a UK spokesman said. Neither Hagan, who had held the position for 13 years, nor the university president, David Roselle, were present at the news conference on Tuesday.

At a news conference Wednesday, Burch said he would be an aggressive administrator and "spokesman for the athletic program. I will not be a lame duck."

When reports surfaced last week that Roselle was unhappy with his performance during the investigation, Hagan said, "If someone wants to use the athletics director as a scapegoat, that's fine."

the basketball program, which faces 18 allegations of wrongdoing. "It is unfortunate that circumstances sometimes create a need for change that is regretful for all," Roselle said in a prepared statement. "In this case, the circumstances dictate the need for a different management style and philosophy."

Berneis Vonderheide, a university spokesman, said it had been Hagan's decision to resign.

Hagan will remain an employee of the university to help assist in the transition and bring the investigation to a conclusion, Vonderheide said.

Jerry Claiborne, the head football coach, and Eddie Sutton, the head basketball coach, issued statements in support of Hagan. "Cliff Hagan has always been very supportive of our football program as long as I've been here," Claiborne said. "I'm very sorry to hear of Cliff's resignation. He devoted most of his life to University of Kentucky athletics."

Turner to Broadcast 1990 World Cup

NEW YORK (AP) — Ted Turner's newest cable network has purchased the U.S. television rights to the 1990 World Cup Soccer tournament to be held in Italy.

Turner Network Television and FIFA, the world soccer body, announced Tuesday that TNT has acquired U.S. rights to the competition. The terms were not disclosed. The network said it would carry "a major portion" of the 52 matches.

The 1990 World Cup final between Italy and Argentina in Mexico City was seen by more than 65 million viewers in 166 countries. NBC handled the U.S. broadcast and paid \$5.5 million to show seven games from the tournament.

NBA Fines Parish, Laimbeer, Mahorn

NEW YORK (AP) — Robert Parish of Boston was fined \$1,500 and Bill Laimbeer of Detroit was fined \$1,000 for an incident during a game last week, the National Basketball Association announced.

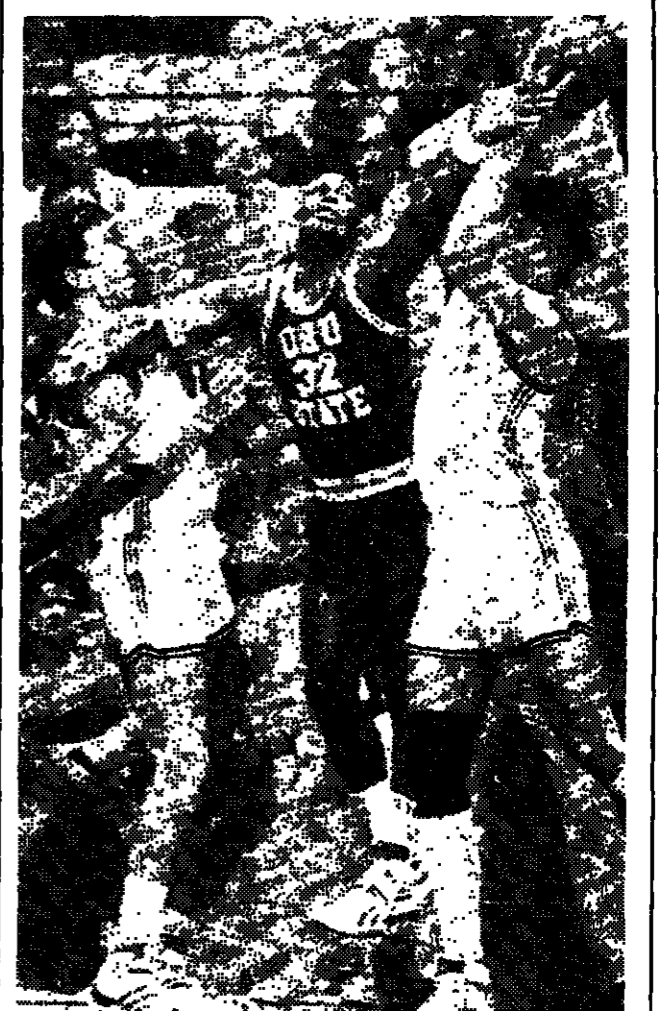
Parish and Laimbeer were fined Tuesday for an altercation during Friday night's Celtics-Pistons game at Boston. Parish was assessed the larger fine for throwing a punch, Rod Thorn, the NBA's vice president for operations, said.

For the Record

Lawyers for the San Diego Yacht Club filed a brief in New York Supreme Court Tuesday to counter arguments by New Zealand that the club should be disqualified as the winner of the America's Cup in September.

Snow has begun falling at Val Thorens, France, but officials said Wednesday that the opening of the World Cup ski season next week is still in doubt.

British athletes who use anabolic steroids will risk going to prison for two years under new government proposals. Unauthorized importers, producers and suppliers of the drug would face heavier penalties.



Soviets Defeat Ohio State

Perry Carter (32) of Ohio State University mulling between Alexander Volkov and Arvidas Sabonis (11) of the Soviet national team at an exhibition game in Columbus, Ohio. The Soviet team, which had won the gold medal at Olympic Games in Seoul, defeated the Buckeyes, 82-76, Tuesday night. Ohio State is returning four starters from its 20-13 team last year.

SCOREBOARD

Table with columns for BASKETBALL, HOCKEY, and FOOTBALL. Sub-sections include NBA Standings, WNBA Standings, NHL Standings, and National Football League Leaders.

Table showing National Football League Leaders for Rushing, Passing, and Receiving. Includes columns for Player, Team, and Statistics.

Table showing National Football League Leaders for Scoring, Team Defense, and Team Offense. Includes columns for Team, Points, and Other stats.

ESORTS & GUIDES

Table listing various escort services and agencies, including International Escort Service, London Escort Agency, and others.

TRANSITION

BASEBALL
Baltimore Orioles traded Tom Moore, pitcher, and Jerry Lewis, outfielder, to Cleveland for Don Lundy, first baseman, and John Gibbons, pitcher.

TRANSITION

BASEBALL
Cleveland assigned Tom Moore to Toledo, outfielder, to California Springs, Pacific Coast League.

TRANSITION

BASEBALL
Detroit signed Billy Maultsby, catcher, of Myrtle Beach, South Atlantic League.

TRANSITION

BASEBALL
Baltimore Orioles traded Tom Moore, pitcher, and Jerry Lewis, outfielder, to Cleveland for Don Lundy, first baseman, and John Gibbons, pitcher.

TRANSITION

BASEBALL
Cleveland assigned Tom Moore to Toledo, outfielder, to California Springs, Pacific Coast League.

Large advertisement for 'The Global Newspaper' with a cartoon illustration of a person reading a newspaper.

ART BUCHWALD

Buyouts and Junk Buns

WASHINGTON — There is a tremendous amount of deal-making going on in the United States nowadays.

Just recently, the management of RJR Nabisco offered to buy out its stockholders for \$17 billion. Another company, Kohlberg Kravis, upped the bid to \$20 billion — and so it goes.



Buchwald

Many of the firms being taken over or offered for sale are in the food business.

So it came as no surprise to me when Al Lentz, president of United Bread Pudding, said to me, "I'm making a firm bid for American Cholesterol."

"What's the deal?" I asked him. "In exchange for United Junk Buns, I'm offering the stockholders 10 billion jolly doughnuts."

"That seems reasonable," I replied. "Is United Bread Pudding worth 10 billion jolly doughnuts?"

"It is if I sell off American's Chicken Fat business, as well as its Computer Virus division. My offer is contingent on spinning off United's Paper Flower factories, and dumping our Hamburger Helper plants on the Japanese."

"I don't understand why the owners of American Cholesterol would want to see the firm broken up."

"It's for the good of the stockholders. The book value of American is three jolly doughnuts per cup of coffee. We're offering six doughnuts, which is much better than if they took their dividends in Oreos cookies."

"Suppose someone comes along and makes a bid to buy American for one billion animal crackers?"

"I'll top their price with two billion loaves of Wonder Bread. I'll fight any unfriendly takeover of my unfriendly takeover. I'm the first one who saw the value of breaking up American Cholesterol, and Nabisco better keep its cotton-picking hands off it or I'll crush every Ritz Cracker they own."

"What attracted you to American since you seem to be selling off most of it?"

"They're the biggest chewing tobacco manufacturers in the world. I figure any food company that knows how to merchandise chewing tobacco has a profit potential."

"What happens if the stockholders and management reject your offer?"

"Then they have to pay me to get me out of the deal. I won't settle for less than four billion turkey drumsticks, plus a seat on the board of Eastern Airlines."

"What will you do with the jelly doughnuts?"

"I'm no fool. I intend to exchange them for some blue-chips like Tofu Pizzas. I can't lose on this because there are a lot of pension funds that would do anything to have all of their capital in Tofu."

"American Cholesterol is a giant in the industry. Now since you are spinning everything off, will you still make a profit?"

"The first thing to do when you buy out another firm is to cut costs. I intend to do that with a vengeance."

"If you can't produce anything, where are you going to get the shredded wheat to pay off your debts?"

"Once we control American, we hope to have enough leverage to take over Dibble's Sour Cream with the cash we made on Mother Shapiro's Homemade Linguini."

"Is there really a good chance you can put this all together?" I asked in admiration.

"There is no doubt in my mind. All I have to do is get the bank to O.K. my credit card so that I can buy a shuttle ticket to Boston."

Mel Tormé Sees Life Through The Velvet Fog

By Richard Harrington

THE film that opened the most recent New York film festival started Daffy Duck. Really. In "Night of the Living Duck," Daffy dreams that he is going to sing in a nightclub for all the famous monsters of the world.

"He peeps out of the curtains," recounts one of the featured performers, "and there's Frankenstein and his Bride at one table, Dracula and a couple of vampire girls at another, the Cyclops and the Fly. It is a tough audience. Daffy tries to vocalize and nothing comes out, so he walks over to the dressing room table, picks up an atomizer marked 'Eau de Tormé,' squirts himself in the throat and then suddenly when he starts singing, it is my voice."

The real Mel Tormé breaks into a little warm-up vocal exercise, then slides into trademark scat. "And it's full animation, so you see his bill doing all this stuff," Tormé says, trying to purse his lips into duck bills. "It's so goddam cute. Audiences love it."

"If 'Night of the Living Duck' is a tale of two Mels — Blanc (the speaking voice of Daffy) and Tormé — the recently published "It Wasn't All Velvet" is the story of just one, Melvin Howard Tormé. Now 63, he is into a career that began 59 years ago at Chicago's Blackhawk Cafe when he boldly asked to sit in with the Coon-Sanders Orchestra. The precocious 4-year-old sang "You're Driving Me Crazy" and subsequently joined the band every Monday for six months and pulled down \$15 a night. The bad news was he had to start kindergarten the next year.

That has been the pattern for Tormé — good news, bad news, ups and downs. "That's why I titled the book the way I did," he says. "A lot of it was supervet, and a lot of it wasn't." But these are the good news days. At an age when many singers struggle with their craft, Tormé's control, pitch

and diction remain virtually perfect. His voice is still pliant, his phrasing imaginative, his repertoire deep and sparkling.

What is more, he is booked into 1990. "The irony is being able to look at 1988 and say it's the best year I have ever had in my life," says Tormé. "Which I'm damn grateful for. Somebody asked me if I'd rather have had this year when I was 40 and I said no, I'd rather have it in a downswing instead of an upswing."

He is known as The Velvet Fog. The term came out of the deejay patter in the mid-'40s. It seemed to best suggest the effortless baritone and sweet, mellifluous consistency of Tormé's singing. Before long, though, it became an albatross.

"About 1970," he says, "I actually turned around and put a clause in my contracts: 'Under no conditions are you to say Velvet Fog.' But then critics would write things like 'The Fog has lifted... the Fog rolls into town.' I used to get abusive, but now I've done something of a 180 on it. I've had people slap me smartly on the wrist, saying 'We grew up with that, we loved the way you sang in those days as well as now, so why be churlish about it?'"

In 1920s Chicago, it was enough for Tormé to be childish. By the time he got into radio "at age 9 in 1934," he says, "there was no doubt in my mind that that's what I wanted to pursue. It may seem like I was very young, but that's because, because my friends were still saying 'I don't know whether I want to be a fireman or a baseball player or a race driver,' but I was absolutely firm about what I was going to do."

In high school, Tormé added the accent to the family name. His stock went up when bandleader Harry James had a hit with "Lament for Love," a Tormé song about a hopeless infatuation. At 15, he would have gone on the road with the James band had not child labor laws forced him to



— Ben Gindoff/The New York Times

"A lot of it was supervet, and a lot of it wasn't," he says.

stay in school; still, he was dubbed "America's Youngest Hit Songwriter."

Tormé moved to California in 1942. Though still a teen-ager, Tormé organized the Revelles, named after a character in the Marx Brothers films, wrote for it and did occasional drumming. He went before the cameras, first in "Higher and Higher" with Frank Sinatra, and then in a succession of forgettable films. Tormé also had a brief shining moment in the Rodgers and Hart biography film "Words and Music," in which his rendition of "Blue Moon" generated a hit.

By this time, Tormé's career was solidifying. It was the era of the vocal groups — the Pied Pipers, Modernaires, Six Hits and a Miss, the Town Criers and, of course, the Mel-Tones. "I'd just gotten my feet wet with the Revelles and I just loved writing for them," he says. "You see, I regard my whole career as a work in progress — to this day it's a learning curve — and at the time it was learning how to write for a vocal group." Which he did until the Mel-Tones broke up in 1946, at least partly because Tormé was ready to fly solo. "I wanted to get out there and try my wings."

He flapped well enough to generate his own fan clubs and to establish himself as a nightclub singer. On the side, he was writing some of his 300 original tunes. Tormé and co-writer Bob Wells had written these songs for the films "Abie's Irish Rose" and "Magic Town," and there are other decent Tormé credits ("Born to Be Blue," "Stranger in Town," "State Fair"). Still, there is a song that ensures all of Tormé's Christmas will be jolly and bright. "Cheerups roasting on an open fire / Jack Frost nipping at your nose." Yes, Mel Tormé and Bob Wells wrote that in 1945, sending it to their good friend Nat (King)

PEOPLE

Gasp! A Picasso Fails To Sell at an Auction

Not every painting by Picasso is going to make a record. Christie's has discovered. Bidding on "Woman with Mandolin" halted on Tuesday at \$7 million, less than the undisclosed minimum price set by the seller, Hester Diamond. "The Bird Cage" sold last week at \$3.5 million for a Picasso. Four days later, the artist's Blue Period painting, "Motherhood," sold for \$24.75 million at Christie's, becoming the most expensive 20th century artwork ever auctioned.

Film stars in France, including Alain Delon, Annie Girardot and Valerie Kaprisky, are to lend their talents to help U.S. veterans of the Vietnam War. They have agreed to dub "Dear America, Letters from Vietnam," by the American director Bill Couture, which was shown at this year's Cannes film festival. In the American version, the letters from soldiers are read by Robert De Niro, Tom Berenger and Kathleen Turner. Five percent of the profits from the film's showing in France will go to the families of those who died and to handicapped survivors.

The Sun newspaper in London has agreed to donate £100,000 (\$180,000) to four charities chosen by Queen Elizabeth II to settle a court case arising from its unauthorized publication of a snapshot of the queen, her mother and the Duke of York, including her infant daughter, Princess Beatrice. Lawyers for the queen asserted that the newspaper had breached copyright laws for publishing the photograph taken by an unidentified friend of the royal family.

The 1988 Robert F. Kennedy Human Rights Award was bestowed in absentia on Gibson Kanan Karis, the Kenyan lawyer who is barred from leaving his country. The ceremony took place in Washington.

Arnold Rosenfeld, who has been picked as the next editor-in-chief of the Cox newspaper group, will step in as editor of The Atlanta Constitution and The Atlanta Journal. Rosenfeld will help the publisher, a search for a permanent successor to Bill Kovach, who resigned Nov. 4. A rally in Kovach's support was held Saturday by a number of prominent Atlanta citizens.

Italian Police Find Archaeological Trove

ROME — About 45,000 archaeological objects, stored in an illegal "museum," have been uncovered by Italian police at Tivoli. The self-styled curator, Piero Cerullo, an engineer, told investigators he unearthed the objects for his "Aladdin's Cave" Giovanni Scapellato, of the Pignone museum of prehistory in Rome, said some of the exhibits dated back to 5,000 years B.C. and included Roman and Etruscan artifacts. Under Italian law, Cerullo should have declared his finds to the state.

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